

**2013 SHIP DISPOSAL SOLICITATION  
DTMA-91-Q-2013-0014**

**INTRODUCTION**

**A. PURPOSE OF THE SOLICITATION**

The U.S. Maritime Administration (MARAD) intends to establish a pool of qualified ship disposal facilities, among which it will compete and award contracts for disposal of obsolete vessels in the National Defense Reserve Fleets (NDRF) and excess vessels of other Federal Agencies. This solicitation describes the process for the submittal of General Technical Proposals (GTP),<sup>1</sup> the evaluation criteria of the GTPs, the establishment of a pool of qualified ship disposal facilities, the process for solicitation, among the qualified facilities, of sales offers and revised price quotations, and the criteria for award of sales contracts and/or ship disposal services contracts.

**B. FORMAT OF THE SOLICITATION**

The solicitation is posted to the Federal Business Opportunity (FedBizOps) website and to the MARAD Virtual Office of Acquisitions (VOA) ship disposal web page. The solicitation consists of the following Parts:

- Part I      Qualification of Facilities
- Part II     Solicitation Preliminaries
- Part III    Ship Disposal Sales Solicitation (SDPEXC-13001)
- Part IV    Ship Disposal Services Solicitation (DTMA-91-Q-2013-0013)
- Part V     Contract Clauses and Requirements
- Part VI    Supporting Documents

---

<sup>1</sup> Until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See paragraphs C.2.a and F of **PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility’s approved GTP or TCP, the facility’s approved, “old GTP,” including TCP, shall be substituted. Once a facility’s new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

## **PART I**

### **QUALIFICATION OF FACILITIES**

#### **A. INTRODUCTION**

The U.S. Maritime Administration (MARAD) intends to establish a pool of qualified ship disposal facilities, among which it will compete and award contracts for disposal of obsolete vessels in the National Defense Reserve Fleets (NDRF) and excess vessels of other Federal Agencies. This solicitation describes the process for the submittal of General Technical Proposals (such proposal, inclusive of the technical compliance plan (TCP) and all supporting documents, is referred to herein as the GTP), the evaluation criteria of the GTPs, the establishment of a pool of qualified ship disposal facilities, the process for solicitation, among the qualified facilities, of sales offers and revised price quotations and the criteria for award of ship disposal sales contracts and/or ship disposal services contracts.

A.1. QUALIFICATION OF SCRAPPING FACILITIES - Section 6(c)(1) of the National Maritime Heritage Act of 1994, as amended (54 U.S.C. § 308704(c)(1)),<sup>2</sup> and section 3502, Scrapping of National Defense Reserve Fleet Vessels, of the National Defense Authorization Act, Fiscal Year 2001, as amended,<sup>3</sup> limits “scrapping” to qualified ship recycling facilities.

A.2. DOMESTIC FACILITIES – In Section 3502 of the Defense Authorization Act of 2009, Public Law No. 110-417, and except under certain circumstances, Congress has mandated utilization of domestic sources for the purposes of dismantling, recycling or scrapping of vessels owned by the United States. Therefore, GTPs to dispose of ships at foreign facilities are not being accepted at this time. If circumstances change, this request for GTPs will be amended to allow the submittal of proposals to dispose of ships at foreign facilities.

---

<sup>2</sup> Section 6(c)(1) of the National Maritime Heritage Act of 1994 was originally enacted in Section 6(c)(1) of Pub. L. 103-451, November 2, 1994, 108 Stat. 4777, and codified at 16 U.S.C. § 5405(c)(1). It has been amended by Section 1026(c) of the National Defense Authorization Act for FY 1998, Pub. L. 105-85, November 18, 1997, 111 Stat. 1878; Section 3502(a) of the National Defense Authorization Act for FY 2001, Pub. L. 106-398, October 30, 2000, 114 Stat. 1654A-490; and Section 3514 of the National Defense Authorization Act for FY 2008, Pub. L. 110-181, January 28, 2008, 122 Stat. 594. The National Maritime Heritage Act was reenacted as part of a recodification in Title 54 Chapter 3087 and 16 U.S.C. § 5405 *et seq.* was repealed in Pub. L. 113-287, §§ 3,7, December 19, 2014, 128 Stat. 3094. No substantive changes were made to the law.

<sup>3</sup> Section 3502 is set forth in 16 U.S.C.A. §5405, note. The original statute was section 3502(b) to (f) of Pub. L. 106-398, October 30, 2000, 114 Stat. 1654. It has been amended by Section 3505(a) of the National Defense Authorization Act of FY 2006, Pub. L. 109-163, January 6, 2006, 119 Stat. 3551; Section 3504 of the National Defense Authorization Act of FY 2012, Pub. L. 112-81, December 31, 2011, 125 Stat. 1717; and Section 3502 of the National Defense Authorization Act of FY 2013, Pub. L. 112-239, January 2, 2013, 126 Stat. 2222. Section 3502 continues to remain in full force and effect after the recodification. The recodification specifically made no substantive changes to the law.

A.3. The pool will be comprised of ship disposal facilities whose GTPs have been evaluated as technically acceptable; *provided, however*, that no company shall have any of its facilities included in the pool of qualified ship disposal facilities unless such company is registered in the System for Award Management (SAM), as required by A.5 below. Qualified facilities in the pool will be eligible to compete for (i) sales contracts under which the agency will sell the vessels for disposal; and (ii) service contracts under which the agency will consider acquiring ship disposal services if no sales offers are received. MARAD will periodically solicit ship-specific pricing and schedules from the pool of qualified ship disposal facilities and award disposal contracts in accordance with the evaluation criteria in the applicable solicitation.

A.3.a. Until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility’s approved GTP or TCP, the facility’s approved, “old GTP,” including TCP, shall be substituted. Once a facility’s new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

A.4. **REQUIREMENTS FOR AQUATIC INVASIVE SPECIES** – The National Invasive Species Act, as amended (16 U.S.C. § 4701, et seq.), requires entities to mitigate the transmission of non-indigenous aquatic species. MARAD requires the State in which the obsolete vessels will be disposed of to consent, in writing, under terms acceptable to MARAD, to allow vessels with their hulls cleaned in accordance with the USCG Interim Criteria for Cleaning Hulls of MARAD Vessels Prior to Relocation, dated 27 June 2006 or in the case of the SBRF vessels dry-docked to enter that State’s waters for disposal. The current State Consent Status is set forth in Part VI. Supporting Documents, Section H. Invasive Species State Consent Status, to this solicitation and is posted in FedBizOps and located in the VOA Ship Disposal technical library.

A.4.a. **Consent for New Facilities Not Covered By Existing Consent Agreements.** MARAD will initiate and manage discussions with the cognizable State authorities to obtain State consent for any new ship disposal facilities that are to be qualified by MARAD and are not covered under existing State consent agreements. **Consent from the State where the ship disposal facility is located, on terms acceptable to MARAD, is required before a GTP will be found to be Technically Acceptable.**

A.4.b. **Revised Consent For Existing Facilities.** If a State changes the terms of its consent, then a revised consent from cognizable State authorities on terms acceptable to MARAD must be submitted in writing to MARAD’s Office of Environment not later than the determination of the best value award for each request for sales offer or price quotation for a vessel disposal which is not covered by the current State Consent Status. **Consent from the**

**State where the ship disposal facility is located, on terms acceptable to MARAD, is required before an offer will be considered.**

A.5. SAM Registration. A company interested in having one or more of its facilities become part of the pool of qualified ship disposal facilities and eligible to compete for awards under PART III, SHIP DISPOSAL SALES SOLICITATION (SDPEXC-13001) or PART IV, SHIP DISPOSAL SERVICES SOLICITATION (RFQ DTMA-91-Q-2013-0013) must be registered, and complete and maintain electronic annual representations and certifications, in the “System for Award Management ” via <http://www.acquisition.gov>. Each company shall include with its GTP, its DUNS or DUNS+4 number that identifies its name and address exactly as stated in the GTP. Such number will be used by MARAD to verify that the company is registered in the SAM database. If a company does not have a DUNS number, it should contact Dun and Bradstreet to obtain one at <http://fedgov.dnb.com/webform> or by calling 866-705-5711. Companies may obtain information on SAM registration at <http://www.acquisition.gov> or 866-606-8220. Processing time, which normally takes 48 hours, should be taken into consideration when registering. Potential offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

**B. REQUEST FOR GENERAL TECHNICAL PROPOSALS**

B.1. Companies interested in having one or more of their facilities become part of the pool of qualified ship disposal facilities are requested to submit GTPs **for each facility proposed to become part of the pool**. GTPs must identify the locations of all operations where the work required by this Ship Disposal Solicitation will be performed. Preparation and dismantlement locations are parts of the single facility covered by the submitted GTP and will be evaluated per the stated evaluation criteria. The Request for General Technical Proposals remains open until closed by an amendment to this Ship Disposal Solicitation.

B.2. The General Technical Proposal shall include the following:

B.2.a. The GTP shall address all of the elements to performing the work required by PART V Contract Clauses and Requirements, of this solicitation, and Part VI, Supporting Documents, inclusive of the below elements:

- 1) Management, resources and facilities
- 2) Production throughput/capacity
- 3) Environmental considerations
- 4) Worker safety and health considerations
- 5) Hazardous material abatement considerations
- 6) Requisite and relevant experience

B.2.b. The GTP shall be prepared in accordance with Part VI. Supporting Documents, Section A. Technical Compliance Plan Requirements.

B.2.c. Additional GTP and Contract Requirements. Proposed facilities and/or dismantling methodologies that are determined by MARAD to present an increased risk to vessel stability, watertight integrity or hazardous material discharge risk may require additional assessments, plans and/or procedures to be developed and submitted as part of the GTP in order to be considered technically acceptable. Depending on the nature of the facility, methodology proposed and degree of risk, the assessments, plans and procedures may be required by MARAD to be produced by independent, third party naval architects and/or professional engineers. If a facility, whose GTP required additional assessments, plans and/or procedures in order to be found technically acceptable, is subsequently determined to be the best-value awardee of a disposal contract, a deliverable may also be required in the contract for an additional assessment, plan or procedure that is specific and directly applicable to the awarded ship(s). If such a ship specific deliverable is to be required, the potential for such a requirement will be made known to the facility at the time their GTP is determined to be technically acceptable and also identified as a deliverable in any subsequently awarded ship disposal contract.

### B.3. ADDITIONAL REQUIREMENTS FOR CONTRACTS AWARDED UNDER PART IV, RFQ DTMA-91-Q-2013-0013 (RFQ)

B.3.a. In addition to a complete General Technical Proposal, companies seeking to compete for ship disposal services contracts under the RFQ, PART IV, SHIP DISPOSAL SERVICES SOLICITATION, are also required to submit a standing quotation for a generic dollar per ton price quotation based on an average sized MARAD vessel of approximately 7500 tons for CLIN 1. The price quotation must be identified in a cover letter submitted with a GTP. The generic dollar per ton price quotation shall be a notional value during the evaluation of the technical proposals and establishment of the pool of standing quotations. The notional price per ton will not be used when awarding specific vessels under the RFQ. The standing quotation will be superseded when MARAD issues an Announcement requesting revised price quotations for specific vessels.

B.3.b. Service Contract Labor Standards and Executive Order Minimum Wage Rate. Offerors are notified that the clause FAR 52.222-41 - Service Contract Labor Standards applies to ship disposal services contracts over \$2,500.00 awarded under the services RFQ. MARAD will request applicable wage determination after a vendor's generic offer has been determined to be technically acceptable. Offerors shall be advised that updated Wage Determinations will be incorporated by reference at the time of the vessel specific price revision request. In addition, the clause FAR 52.222-55 -- Minimum Wages Under Executive Order 13658 (Dec 2014) applies to ship disposal service contracts over \$2,500.00 awarded under the services RFQ. Under FAR 52.222-55, the contractor and its subcontractors are required to pay the E.O. minimum wage rate whenever it is higher than the wage rate specified in the Wage Determination.

## **C. PROPOSAL SUBMISSION**

### **C.1. GTP SUBMISSION**

GTPs described above shall be single sided, single spaced, Times New Roman, 12 point. The GTP shall be submitted in hard copy and on three CD-ROMs to the Acquisitions Contracting Officer. GTPs shall be submitted in MS Word 2010 format. Do not submit via the United States Postal Service as mail is being irradiated.

### **C.2. DUE DATES FOR GTPs**

C.2.a. Offerors with facilities whose GTPs were found to be Technically Acceptable under the prior MARAD ship disposal solicitation (Request for Quotation (RFQ) DTMA1Q09001 and Vessel Sales Solicitation SDPEXC-08001) are required to submit, for each previously qualified facility, a complete new GTP consolidating and updating the information previously submitted under the prior solicitation. The new GTP shall have a cover page identifying any significant changes related to the facility, capacity, productivity, resources, and key personnel, as compared to the previously accepted GTP, or stating that there are no such significant changes related to the facility, capacity, productivity, resources, and key personnel, as compared to the previously accepted GTP. *Provided* that a complete new GTP is submitted to the Contracting Officer within 60 days from the date of the issuance of this solicitation, a previously approved facility shall be allowed to temporarily retain its technically acceptable qualification and remain in the pool of qualified ship disposal facilities able to compete under this solicitation until MARAD has completed the re-evaluation of such new GTP. The new GTP shall be submitted in hard copy and on three CD-ROM's to the Contracting Officer. However, if, after evaluation, a previously qualified facility's new GTP is no longer technically acceptable, such previously qualified facility will be removed from the pool of qualified ship disposal facilities until its new GTP is submitted, evaluated, and found technically acceptable. If a previously approved facility fails to submit a new, complete GTP within such 60 day period, that offeror will be removed from the pool of qualified ship disposal facilities until a new, complete GTP is submitted, evaluated and found technically acceptable.

C.2.b. An offeror who submitted a GTP under the prior ship disposal solicitation that is currently undergoing evaluation by MARAD shall submit a new GTP that incorporates the latest proposed changes, amendments and updates for each facility. The new GTP shall have a cover page identifying any significant changes related to the facility, capacity, productivity, resources, and key personnel, as compared to the previously submitted GTP, or stating that there are no such significant changes related to the facility, capacity, productivity, resources, and key personnel, as compared to the previously submitted GTP. Offerors shall submit three copies of the consolidated GTPs via CD-ROM to the contracting officer. If such an offeror fails to submit a complete new GTP within 60 days from the date of the issuance of this solicitation, the offeror must begin the facility qualification process anew under this solicitation.

C.2.c. An offeror who submitted a GTP under the prior ship disposal solicitation that was found technically unacceptable but susceptible to being made acceptable must submit a new, complete

GTP for evaluation. The new GTP shall have a cover page identifying any significant changes related to the facility, capacity, productivity, resources, and key personnel, as compared to the previously submitted GTP, or stating that there are no such significant changes related to the facility, capacity, productivity, resources, and key personnel, as compared to the previously submitted GTP.

C.2.d. All other offerors must submit new, complete GTPs, in accordance with this solicitation. This solicitation remains open for submission of new GTPs at any time until the solicitation is closed.

#### **D. EVALUATION OF GTPS**

D.1. Initially, MARAD will assess the GTP for the comprehensiveness of the material relative to the TCP guidelines and the six (6) elements listed in B.2.a. The iterative evaluation process will include notification by MARAD early on of any major threshold deficiencies in the proposal that inhibit the feasibility of the successful implementation of the GTP. MARAD may also request and review additional necessary information in order to fully evaluate the GTP to ensure the offeror has sufficient knowledge, resources and capabilities to successfully dispose of obsolete MARAD, Navy, or other Federal Agency vessels while protecting the environment and worker health and safety. Once the GTP is materially complete, reviewed and determined to be feasible MARAD may elect to conduct an on-site visit to evaluate facility infrastructure, meet key personnel and verify proposal information. The culmination of the iterative evaluation process will be the notification by MARAD that the GTP has been assigned one of the following ratings: technically acceptable, technically unacceptable but susceptible to being made technically acceptable, or technically unacceptable.

- ***Technically Acceptable*** – A technically acceptable proposal demonstrates the offeror has adequately addressed the six (6) elements identified in paragraph B.2.a., above, successfully remediate and dismantle obsolete vessels in a timely manner that is environmentally sound and satisfactorily takes into account worker health and safety.
- ***Technically Unacceptable but Susceptible to Being Made Acceptable*** – A proposal that is deficient in some aspects of one or more of the six (6) elements necessary to be technically acceptable; however, the deficiencies are considered to be correctable within a reasonable timeframe.
- ***Technically Unacceptable*** – A proposal that fails to demonstrate the offeror has adequately addressed one or more of the six elements necessary to be technically acceptable and is able to successfully remediate and dismantle obsolete vessels and the deficiencies are significant and not considered to be correctable, within a short timeframe. A technically unacceptable proposal will not be afforded the opportunity for corrections and the offer will have to re-submit a new proposal to merit further consideration.

D.2. Facilities with GTPs rated Technically Acceptable will become part of the pool of qualified ship disposal facilities and eligible to compete for specific vessels offered under PART III, Ship Disposal Sales Solicitation or PART IV, Ship Disposal Services Solicitation; *provided, however,*

that no company shall have any of its facilities included in the pool of qualified ship disposal facilities unless such company is registered in SAM, as required by A.5 above.

## **E. EVALUATION CRITERIA**

MARAD will use the following criteria to evaluate the technical acceptability of the GTPs submitted based on the offerors response to the six (6) elements in paragraph B.2.a.:

- 1) Feasibility and likelihood of success of engineering/technical/management approach for the disposal of obsolete vessels and the risks associated with the proposed approach.
- 2) Productivity of the proposed approach(s) including schedule assessments.
- 3) Type and sufficiency of proposed methods, processes and procedures for environmental abatement of hazardous materials, worker safety and health considerations proposed and compliance with applicable laws.
- 4) Depth, relevance and currency of requisite experience with the complete disposal of obsolete vessels.

## **F. TIME FOR EVALUATION**

F.1. MARAD will continuously evaluate proposals as they are received. The time needed to complete the initial evaluation of newly submitted proposals will be dependent upon the completeness of the initial proposal submission and agency workload. When a new proposal is submitted, MARAD's goal is to complete the initial evaluation within eight weeks from the date a complete GTP is submitted.

F.2. GTPs submitted under this Ship Disposal Solicitation will be evaluated in the following order: new GTPs for facilities whose prior GTPs were technically acceptable under the previous solicitation provided the new GTP was submitted by the due date required to obtain temporary technical acceptability status; new GTPs for facilities whose prior GTP was technically acceptable under the previous solicitation but their new, complete GTP was not submitted by the due date required to obtain temporary technical acceptability status; new GTPs for facilities whose GTPs were found to be technically unacceptable but susceptible to being made acceptable under the previous solicitation; and lastly, offerors submitting new GTPs.

## **G. CONTINUING OBLIGATION**

G.1. Once a facility's GTP is found Technically Acceptable, the offeror shall operate its qualified facility and perform ship disposal contracts in accordance with its approved GTP and the awarded contract, subject to subpart H, Conflicts Between GTP and Awarded Contract, below.

G.2. Updates to the GTP shall be submitted to the Acquisitions Contracting Officer whenever there is a substantive change in the qualified facility, remediation/dismantling methodology, resources (including financial, equipment, direct labor and subcontractors), ownership, key



personnel or other circumstances that affect the ship remediation/dismantling production, capacity, efficiency, worker safety, environmental protection or responsibility. One hard copy and three CD-ROMs shall be submitted for each update.

G.3. The Government reserves the right to suspend or revoke a Technically Acceptable rating for a GTP upon evidence that the qualified facility is not being operated in accordance with the approved GTP and any awarded contract, subject to subpart H, Conflicts Between GTP and Awarded Contract, below. If the government asserts that circumstances warrant revocation of a technically acceptable rating, then the facility will be provided an opportunity to respond to specific deficiencies. If the facility's response does not cure those deficiencies, the technically acceptable rating for the GTP will be suspended or revoked until such time as the deficiencies are satisfactorily addressed and the facility is again found technically acceptable.

G.4. A company with one or more facilities in the pool of qualified ship disposal facilities is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database after the initial registration, a company is required to review and update on an annual basis from the date of initial registration or subsequent updates its information, including annual representations and certifications, in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM database does not alter the terms and conditions of the GTP or any awarded contract and is not a substitute for a properly executed contractual document. Companies shall ensure that the DUNS number is maintained with Dun and Bradstreet for as long as it wants one or more of its facilities to be included in the pool of qualified ship disposal facilities and eligible to compete for awards under PART III, SHIP DISPOSAL SALES SOLICITATION (SDPEXC-13001), or PART IV, SHIP DISPOSAL SERVICES SOLICITATION (RFQ DTMA-91-Q-2013-0013). Companies shall communicate any change to the DUNS number to MARAD within 30 days after such change. Companies may obtain information on registration and annual confirmation requirements via the SAM accessed through <http://www.acquisition.gov> or by calling 866-606-8220.

G.5. The Government reserves the right to remove all of the facilities of a company from the pool of qualified ship disposal facilities upon evidence that such company's information within the SAM database is inaccurate or incomplete, such company fails to review and update its information, including annual representations and certifications, within the SAM database on an annual basis, or such company fails to maintain its DUNS number. If the government asserts that circumstances warrant excluding facilities from the pool of qualified ship disposal facilities, then a company will be provided an opportunity to respond and cure specific deficiencies. If the company's response does not cure those deficiencies, such company's facilities will be excluded from the pool of qualified ship disposal facilities until such time as the deficiencies are satisfactorily addressed.

## **H. CONFLICTS BETWEEN GTP AND AWARDED CONTRACT**

Notwithstanding any rating of Technical Acceptability assigned by MARAD to a facility's GTP, in the event of any inconsistencies between a qualified facility's approved GTP and the requirements of a contract awarded under PART III, SHIP DISPOSAL SALES SOLICITATION (SDPEXC-13001), or PART IV, SHIP DISPOSAL SERVICES SOLICITATION (RFQ DTMA-91-Q-2013-0013), the applicable contract requirements shall take precedence, as set forth in **Part VI.K, Sample Ship Disposal Sales Contract**, and **Part VI.L, Sample Ship Disposal Services Contract**.

## **PART II ANNOUNCEMENT PRELIMINARIES**

This Part II contains information generally applicable to Announcements under the Ship Disposal Sales Solicitation, (Part III) and the Ship Disposal Services Solicitation, (Part IV).

### **A. VESSEL VISITS**

Periodically and prior to issuing an Announcement requesting ship-specific sales offers and/or revised price quotation, the Agency will make groupings of vessels at the MARAD, Navy NISMF and other Federal Agency sites available with allotted time for offerors to perform surveys and conduct hazardous material sampling analysis. Underwater biological sampling for aquatic invasive species is not permitted. Vessels are being made available for the purpose of inspection, cost estimating, hazardous material sampling and survey in preparation for submission of future sales offers and revised price quotations under Parts III and PART IV.

Once a vessel visitation period is approved, it is the offeror's responsibility to schedule the visit within the parameters of fleet/maintenance facility operations. Electronic copies of some vessel specific or class drawings, surveys and tank soundings may be available on VOA in the Ship Disposal vessel documentation section. Other ship files may be available at the fleet/maintenance facility and, when available, may be reviewed by offerors. All hardcopy ship file documents must remain at the fleet office. MARAD does not guarantee that any documentation provided is current, accurate or complete, or that it represents the "AS IS" condition of the vessel.

As a result of making these groupings of vessels available for inspections, requests for sales offers and price revisions in future ship specific announcements for the disposal of these vessels may be due within approximately ten days from the issuance of the announcement. If one or more vessels in the announcement does not receive sales offers then the revised price quotations will be activated and shall be due approximately five days later. MARAD will issue notification to the offerors as to which vessels require the submittal of a revised price quotation.

Requests to attend all scheduled vessel visitation periods shall be made in writing to Mr. Shawn Ireland, Office of Ship Disposal, via e-mail at [shawn.ireland@dot.gov](mailto:shawn.ireland@dot.gov). The Fleet/NISMF program manager is the final authority regarding the scheduling of vessel visits and shall do so at their discretion so as to not interfere with Fleet/NISMF operations. Requests for additional vessel visitations during the shortened sales announcement shall include the rationale and justification for the necessity to re-visit the specific vessel(s). There is no guarantee the visit can be accommodated by the fleet. The closing date for submittal of offers may not necessarily be extended to accommodate additional vessel visitations.

**REMINDER:** Vessel(s) are offered in "AS IS" condition and "WHERE IS" location at their current mooring. The Government makes no guarantees or warranties regarding the condition of any obsolete vessel.

NOTE: Qualified facilities may present to MARAD expressions of interest for the disposal of specific vessels with the understanding that MARAD is under no obligation to request sales offers or revised prices for those vessels.

## **B. BIOLOGICAL SAMPLING**

Underwater biological sampling of MARAD, NAVY and other Federal Agency vessels is not permitted in connection with this solicitation. Requests to conduct such sampling will be considered independent of this solicitation under conditions acceptable to the Agency. Such requests shall be directed to MARAD's Office of Environment.

## **C. HISTORIC ASSESSMENT**

All of MARAD's obsolete vessels are subject to the requirements of the National Historic Preservation Act, as amended (16 U.S.C. § 470 et seq.). MARAD's obsolete vessels undergo a historic assessment process to determine if they possess historic value and are eligible for placement on the National Register prior to disposal. All of MARAD, Navy and other Federal Agency obsolete ships will have completed the historic assessment process prior to being offered in a ship-specific sales or service announcement under this Solicitation.

**PART III**  
**SHIP DISPOSAL SALES SOLICITATION**  
**For Disposal of Obsolete Vessels for Dismantlement**  
**SDPEXC-13001**

**A. INTRODUCTION**

**A.1. POOL OF QUALIFIED FACILITIES**

Facilities whose General Technical Proposals (GTPs) are found technically acceptable under PART I of this solicitation, and whose GTPs were submitted by companies who are currently registered in the System for Award Management (SAM), will form a pool of “qualified facilities” eligible to compete to purchase obsolete vessels for disposal under this Ship Disposal Sales Solicitation, PART III, and the Ship Disposal Services Solicitation, PART IV.

**A.2. AUTHORITY**

This Ship Disposal Solicitation, inclusive of this Vessel Sales Solicitation, contains the terms under which the U.S. Maritime Administration's (MARAD) offers vessels to purchase for dismantlement.<sup>4</sup> Selections will be made on a best value basis consistent with the Federal Acquisition Regulation, pursuant to Section 6(c)(1) of the National Maritime Heritage Act of 1994, as amended (54 U.S.C. § 308704(c)(1)),<sup>5</sup> and Section 3502, Scrapping of National Defense Reserve Fleet Vessels, of the National Defense Authorization Act, Fiscal Year 2001, as amended.<sup>6</sup> 46 U.S.C. § 57102 also applies to sales, to the extent consistent with later enacted statutes.<sup>7</sup>

---

<sup>4</sup> This solicitation is not a request for proposals for the reuse of obsolete MARAD vessels. Proposals submitted that advocate the reuse of MARAD vessels will be rejected. Interested parties which wish to pursue the reuse of MARAD obsolete vessel may contact the Ship Disposal Program directly for further guidance.

<sup>5</sup> Section 6(c)(1) of the National Maritime Heritage Act of 1994 was originally enacted in Section 6(c)(1) of Pub. L. 103-451, November 2, 1994, 108 Stat. 4777, and codified at 16 U.S.C. § 5405(c)(1). It has been amended by Section 1026(c) of the National Defense Authorization Act for FY 1998, Pub. L. 105-85, November 18, 1997, 111 Stat. 1878; Section 3502(a) of the National Defense Authorization Act for FY 2001, Pub. L. 106-398, October 30, 2000, 114 Stat. 1654A-490; and Section 3514 of the National Defense Authorization Act for FY 2008, Pub. L. 110-181, January 28, 2008, 122 Stat. 594. The National Maritime Heritage Act was reenacted as part of a recodification in Title 54 Chapter 3087 and 16 U.S.C. § 5405 *et seq.* was repealed in Pub. L. 113-287, §§ 3,7, December 19, 2014, 128 Stat. 3094. No substantive changes were made to the law.

<sup>6</sup> Section 3502 is set forth in 16 U.S.C.A. §5405, note. The original statute was section 3502(b) to (f) of Pub. L. 106-398, October 30, 2000, 114 Stat. 1654. It has been amended by Section 3505(a) of the National Defense Authorization Act of FY 2006, Pub. L. 109-163, January 6, 2006, 119 Stat. 3551; Section 3504 of the National Defense Authorization Act of FY 2012, Pub.L. 112-81, December 31, 2011, 125 Stat. 1717; and Section 3502 of the National Defense Authorization Act of FY 2013, Pub. L. 112-

## **B. REQUESTS FOR SALES OFFERS (RFSO)**

The Maritime Administration will periodically identify specific vessel(s) for disposal via an electronic Announcement containing both a Request for Sales Offers (“RFSO”) under this Ship Disposal Sales Solicitation and a Request for Price Quotations (RRPQ) under the Ship Disposal Services Solicitation (RFQ DTMA-91-Q-2013-0013). Announcements shall only be sent to the companies with facilities included in the pool of qualified facilities, qualified under Part I, Qualification of Facilities, of the Ship Disposal Solicitation.

**B.1. IDENTIFICATION OF VESSELS.** The Announcement will identify the obsolete vessels from the non-retention vessels currently located in the Maritime Administration’s Reserve Fleet sites; Suisun Bay Reserve Fleet (SBRF), Beaumont Reserve Fleet (BRF), James River Reserve Fleet (JRRF), the Navy Inactive Ship Maintenance Facilities (NISMF) in Philadelphia PA (NISMF-PA) and Pearl Harbor, HI (NISMF-HI) and/or other locations as identified in the Announcement. Generally MARAD shall dispose of its high priority vessels first. The Announcement will identify the fleet at which the vessel is located and the price offered shall include all of the work required for preparation of the vessel in that fleet for transit to their facility. When applicable, MARAD will take into consideration and minimize the geographic distance that a vessel must be towed when towing a vessel poses a serious threat to the environment.

### **B.2. AS-IS, WHERE-IS.**

The obsolete vessels are offered for sale on an “AS-IS, WHERE-IS” basis, with no warranty, express or implied, at their current fleet mooring site, or in the case of SBRF vessels, at the delivery location at the Shipyard after undocking. The Government makes no guarantees or warranties, express or implied, regarding the condition of any obsolete vessel and does not guarantee, by expression or implication, or the size, tonnage, or other descriptions of the Obsolete Vessel. The Offeror relies solely on its own inspection with respect to the particulars of the Obsolete Vessel. That if Government furnished information is provided to the Offeror in the course of offer preparation, proposal submittal or ship checks, the Government makes no guarantees or warranties that any documentation provided is current, accurate or complete or in any way represents the "AS-IS" condition of the vessel. If a Government estimate of hazardous material/waste is contained in any such documents, the Government does not guarantee the currency, accuracy or completeness of amounts of hazardous material/waste or any other information contained in such documents. The Government is not responsible for nor will the Government reimburse the awardee for any costs it may incur associated with the disposal the vessel or the remediation, including but not limited to, costs associated with the remediation,

---

239, January 2, 2013, 126 Stat. 2222. Section 3502 continues to remain in full force and effect after the recodification. The recodification specifically made no substantive changes to the law.

<sup>7</sup> Section 508 of the Merchant Marine Act of 1936, as amended, was re-codified at 46 U.S.C. §57102 in 2006.

removal or disposal of hazardous materials/wastes found on the vessel or generated as a result of remediation, dismantling or recycling processes or procedures.

**B.3. DUE DATE FOR SALES OFFERS.** The Announcement will identify any special requirements not included in the solicitation related to the individual ships offered for sale and shall specify the due date for the submittal of sales offers.

**B.4. MINIMUM SALES OFFERS.** In accordance with 46 U.S.C. § 57102(b), each obsolete vessel will be appraised to determine its value prior to being offered for sale. When the appraised values of the obsolete vessels are positive, a minimum price will be set forth in the Announcement and sales offers below the minimum will not be considered.

**B.5. SHIP DISPOSAL SALES CONTRACTS.** The resulting Sales Contracts awarded under this solicitation will be comprised of the following:

Section I	The content in SUBPART V.B, CLAUSES APPLICABLE TO SALES CONTRACTS.
Section II	The content in SUBPART V.A, CONTRACT CLAUSES AND REQUIREMENTS (APPLICABLE TO SALES AND SERVICE CONTRACTS).
Section III	The documents from PART VI, SUPPORTING DOCUMENTS, of the solicitation referenced in the above Sections.
Section IV	The qualified facility's approved General Technical Proposal, inclusive of its Technical Compliance Plan, incorporated by reference and date. <sup>8</sup>
Exhibit 1	Bill of Sale

## **C. INSTRUCTIONS FOR SUBMISSION OF SALES OFFERS**

**C.1. SUBMISSION VIA ELECTRONIC MAIL.** Sales Offers must be submitted via email to the email address specified in the Announcement at the date and time specified in the Announcement, unless amended. All sales offers shall remain valid for a period of 90 days from

---

<sup>8</sup> Until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation ("the old GTP"). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility's approved GTP or TCP, the facility's approved, "old GTP," including TCP, shall be substituted. Once a facility's new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

the date of submittal. MARAD reserves the right to request a 30 day extension from an offeror or offerors.

**C.2. SHIP-SPECIFIC SALES OFFER.** Offerors shall submit single-ship fixed price Sales Offers for each vessel shall be based on the terms of the Announcement, as amended, this Vessel Sales Solicitation SDPEXC-13001, as amended, the Ship Disposal Solicitation, and the Vessel Sales Contract, as specified in paragraph B.5, above. Sales offers will be based on a single-ship price for each vessel and shall not include economies of scale, multiple ships or group combinations of various ships or contingency offers unless specifically requested by MARAD in the Announcement.

**C.3. REQUIRED DOCUMENT SUBMITTALS.** In addition to the Ship-Specific Sales Offer, the documents identified below are required for each and every vessel on which a Sales Offer is submitted. Offeror's are cautioned that failure to submit any of the following documents may result in rejection of a Sales Offer:

**C.3.a. General Technical Proposal Updates.** Updates to original general technical proposals including any and all changes to the Technical Compliance Plan and changes affecting the requisite Environmental Compliance Plan, Operational Plan, Business Plan, and Health and Safety Plan.

**C.3.b. Scaled Facility Diagram.** A scaled facility diagram shall be provided that clearly indicates the location of existing work, the placement of the vessel(s) included in the sales offer upon their arrival at the Buyer's facility and the proposed sequence of the vessel(s) into the dismantling slip. Vessels awarded must be moored at the contractor's qualified facility, not at off-site locations where access to the vessel precludes active contract performance.

**C.3.c. Underwater Hull Cleaning.** If underwater hull cleaning is required for a specific vessel, and MARAD requires the offerors to contract with a MARAD qualified underwater hull cleaning contractor to perform the underwater hull cleaning as part of the sales contract, the offerors shall include in their sales offers a copy the quotation from the contractor for cleaning the underwater hull. Please see **Part V, Contract Clauses and Requirements, Subpart A.2.d.1)c)**, for the contractors qualified by MARAD to conduct underwater hull cleaning.

**C.3.d. Initial Single-Ship Integrated Schedules.** Single-ship integrated performance schedules are required for each vessel on which a sales offer is submitted. Each individual ship shall be integrated with all other MARAD, Navy and commercial work at or expected to be at the offeror's recycling facility during the proposed vessel dismantling period to determine the offeror's reasonable performance period duration for each vessel based on a single-ship award. See Part VI. Supporting Documents, Sections F(1) through F(3) Performance Schedule Milestones, for more detail on requirements for performance schedules.



- a. Required Content for Integrated Performance Schedules. Performance schedules, whether single-ship integrated or multi-ship integrated, shall utilize the notional contract start date included in the request for pricing announcement. Performance schedules shall indicate a logical sequence of events for vessel dismantlement and shall include all the major milestones as listed in Part VI. Supporting Documents, Sections F(1) through F(3) Performance Schedule Milestones, posted on FedBizOps and located in the VOA Ship Disposal technical library. Single-ship or multi-ship integrated performance schedules shall include all other awarded Maritime Administration, Navy and commercial work in process and expected to be in process during the schedule recycling period for the individual vessels. Offerors shall factor into the schedule the interface, impact and sequencing of existing dismantlement projects with the dismantlement of the individual vessels included in the sales offer or revised price quotation. Performance schedules submitted in support of sales offers for vessels departing from the JRRF, BRF, and NISMF shall have their calendar day period of performance calculated based on the difference between the following two notional milestones: 1) Contract Start Date and 2) the Final Close-Out Report Submittal Date. Performance schedules submitted in support of sales offers for vessels departing from the SBRF shall have the calendar day period of performance calculated based on the difference between the following two notional milestones: 1) Undocking Date and 2) the Final Close-Out Report Submittal Date. Performance schedules must include the performance of the underwater hull cleaning or the dry-docking for hull cleaning activities as a separate specific activity and not included as part of any other activities listed on the performance schedules, and must utilize a five (5) calendar day duration for the performance of the underwater hull cleaning, and a twelve (12) calendar day duration for the performance of the dry-docking for hull cleaning activities. Performance schedules shall be submitted in support of the price offer and requested multi-ship combinations. The performance schedules shall be submitted in MS Project 2010.
- b. Sequencing Narrative. A narrative description outlining single-ship integrated or multi-vessel sequencing and scheduling shall accompany the sales offer. The narrative shall clearly describe the offeror's intended plan for the movement of the vessels through the offeror's facility during the dismantlement process, clearly integrating newly awarded vessels into the dismantlement sequence with existing MARAD and Navy dismantlement projects. Offerors shall indicate the placement of the vessel(s) upon arrival at their facility and planned placement into the dismantlement slip.

C.3.e. Representations and Certifications. By submission of a Ship-Specific Sales Offer, each offeror acknowledges the requirement that it must be registered in the System for Award Management (SAM) database prior to award, during performance, and through MARAD's acceptance of the Final Close-Out Report. Each offeror shall include with its Ship-Specific Sales Offer, its DUNS or DUNS+4 number that identifies its name and address exactly as stated in the GTP. Such number will be used by MARAD to verify that the company is registered in the SAM database. As qualified facilities eligible to compete under this Sales Solicitation are required to complete and maintain annual representations and certifications electronically via <http://www.acquisition.gov> (see PART I, Paragraph A.5),

only paragraph (b) of the provision at FAR 52.212-3—OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (MAY 2014), set forth below, shall be completed by each offeror and submitted with its Ship-Specific Sales Offer.

52.212-3—OFFEROR REPRESENTATIONS AND CERTIFICATIONS—  
COMMERCIAL ITEMS (MAY 2014).

An offeror shall complete only paragraphs (b) of this provision if the offeror has completed the annual representations and certificates electronically via <http://www.acquisition.gov>.

...

(b)(1) *Annual Representations and Certifications.* Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the SAM website.

(2) The offeror has completed the annual representations and certifications electronically via the SAM website accessed through <https://www.acquisition.gov>. After reviewing the SAM database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications--Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs \_\_\_\_\_.

*[Offeror to identify the applicable paragraphs at (c) through (o) of this provision that the offeror has completed for the purposes of this solicitation only, if any.*

*These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.*

*Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted electronically on SAM.]*

The NAICS Code for this certification is 336611, Ship dismantling at shipyards. For the full text of the provision, see <http://acquisition.gov/far/current/html/FARTOCP52.html>.

C.3.f. Sales Offer Guarantee for Invalidated Offers.

- i. Invalidated offer: After a qualified facility is notified in writing that its offer for a specific vessel is the apparent best value, if the award cannot be finalized for any of the following reasons, that offer will be deemed “invalidated” for purposes of this clause:
  - a) Offeror fails to remit the sales proceeds to MARAD within 15 calendar days after that written notice;

- b) Offeror fails to execute and return the sales contract within 10 calendar days after the contract is transmitted to the offeror for execution;
- c) Offeror fails to provide the required performance bond within 10 calendar days of award date; or
- d) Offeror withdraws its offer.
- ii. If an offer is invalidated after a qualified facility is notified in writing that its offer is the apparent best value, the offeror whose actions invalidated its offer shall be required to submit a sales offer guarantee with future sales offers. MARAD will notify the facility in writing that this requirement for sales offer guarantees is in effect. The amount of the sales offer guarantee shall be \$250,000.00 or the amount of the sales offer, whichever is less, for each ship-specific sales offer submitted. The requirement will remain in effect for future sales offers from that qualified facility for a period of two years from the date of the most recent invalidated offer.
- iii. A sales offer guarantee must be submitted simultaneously with each ship-specific sales offer, in a form satisfactory to the Contracting Officer. A sales offer submitted without the required sales offer guarantee shall be rejected.
- iv. Sales offer guarantees are separate from sales offers and may not be used to offset the payment due if the offeror is awarded a sales contract.
- v. The aforesaid guarantee may be in the form of a “bid” bond from a United States commercial surety company on a SF 24, Bid Bond, U.S. Government securities, an irrevocable letter of credit issued by a U.S. citizen financial institution, a wire transfer, or other form of United States security satisfactory to the Contracting Officer.
- vi. The aforesaid guarantee shall remain in full force and effect until an acceptable performance bond is received on an awarded contract. A guarantee submitted by a facility that is awarded the sales contract will be returned to the awardee not later than 15 calendar days after MARAD’s receipt of an acceptable performance bond from the awardee.
- vii. Guarantees submitted by facilities not awarded the sales contract will be returned within 15 calendar days after the sales contract is awarded.

**C.4. MULTI-VESSEL INTEGRATED PERFORMANCE SCHEDULES.** After the initial evaluation of the sales offers and establishment of the competitive range, MARAD may request performance schedules for specific multi-ship combinations that require offeror(s) to submit additional integrated performance schedules. The integrated performance schedules shall identify the offeror’s proposed vessel sequencing, integrated vessel performance periods and the performance period for each of the requested vessels in the multi-ship combination. MARAD will not request and will not accept changes to the initial single-ship sales offer for each vessel.

## **D. EVALUATION AND AWARD OF SHIP DISPOSAL SALES CONTRACTS**

**D.1. EVALUATION OF ALL VESSELS IN THE ANNOUNCEMENT(S)** – For each Announcement the award decision will consider all of the vessels together.

D.1.a. Threshold Evaluation

D.1.a.1) Continued Technical Acceptability of GTP - Updates to the GTP will be evaluated to determine whether the proposal remains technically acceptable. The updated GTP must continue to demonstrate that the offeror has the approach, capacity, productivity, facilities, and experience to dispose of obsolete vessel(s) in a cost effective, timely manner that is environmentally sound and satisfactorily takes into account worker health and safety. The same criteria specified in PART I, Qualification of Facilities, will be utilized in evaluating any updates submitted. If the updated GTP is no longer technically acceptable, the sales offer will not be considered for award.

D.1.a.2) Exception(s) to Terms. Ship-Specific Sales offers, including all the required documentation and cover letter, that take exception to, unilaterally change, or are contrary to the terms and conditions in this Ship Disposal Sales Solicitation SDPEXC-13001, any Announcement, or the Ship Disposal Sales Contract, as identified in paragraph B.5, above, will not be considered for award.

D.1.b. Establishment of the Competitive Range. MARAD will evaluate the initial sales offers and may establish a competitive range of the most highly rated offers using the evaluation factors set forth in paragraph D.3 below.

D.1.c Request for Multi-Ship Integrated Schedules. Once the competitive range has been established, MARAD may request multi-ship integrated schedules (see C.4) from offerors in the competitive range that are being considered for award of more than one vessel. MARAD will specify the ship combinations.

D.2. BASIS FOR AWARD. Award will be made on a best value basis,<sup>9</sup> to the Offeror with a technically acceptable proposal whose offer(s), in conformance with this solicitation, is (are) evaluated to be most advantageous to the Government, price and non-price factors considered. Awards will be made on a “best value” basis consistent with the Federal Acquisition Regulation (FAR).<sup>10</sup> “Best value” means the expected outcome of an acquisition that, in the Government’s estimation, provides the greatest overall benefit in response to the requirement. Award on the basis of “best value” allows the trade-off of price and non-price factors to achieve the greatest overall benefit to government for each group of vessels. Here, a trade-off is appropriate when it may be in the best interest of the Government to consider award to other than the highest priced sales offer (or lowest price quotation for ship disposal services) because of differences in schedule, capacity and/or past performance. No dollars-for-days formula or fixed ratio is used when a tradeoff is appropriate. MARAD reserves the right not to award any contracts under this solicitation if it determines that no offer is advantageous to the government.

---

<sup>9</sup> Selection is based on best value utilizing non-price and price factors consistent with 16 U.S.C. 5405(c)(1)(B) and section 3502(b) of the 2001 National Defense Authorization Act, as amended. See footnote 4.

<sup>10</sup> The part of the FAR utilized here is Part 13 as it is applicable to the Ship Disposal Services Solicitation in Part IV which is being conducted under the simplified acquisition procedures.

**D.3. EVALUATION FACTORS.** Three evaluation factors are considered when making the best value selection decision. The factors are not listed in any particular order of priority or importance, as permitted by the simplified acquisition procedures of the FAR. Historically, however, since the agency began awarding ship disposal contracts on the basis of best value using the three evaluation factors, a majority of the contracts have been awarded to the highest sales offer or, when no sales offer was received, were awarded to the lowest fee-for-service price quoted. The evaluation factors for award are as follows:

- Performance Schedule and the Vendor's available capacity (non-price factor).
- Price Factor - The price, when applicable, the cost to dry-dock an SBRF vessel or the cost to perform underwater hull cleaning. (See Price and Price-Related Factor below.)
- Past Performance (non-price factor).

**D.3.a. Price and Price-Related Factor.** The agency has determined that the total cost to the government of any given award must be considered. Consequently, when awarding an SBRF vessel the agency will consider, as a price-related factor, the cost to the Government of dry-docking a vessel that is being recycled outside the San Francisco Bay area. The agency will utilize actual award prices for dry-docking that specific vessel. Therefore, for sales offers, the actual cost of dry-docking the vessel will be subtracted from each vessel sales offer<sup>11</sup> to arrive at the total evaluated price that will be used in the best value determination.

**D.3.b. Past Performance.** Under this factor, MARAD evaluates an offeror's performance under prior MARAD contracts consistent with FAR 42.1501 Contractor Performance Information:

- 1) Adherence to contract schedules, including the resources and ability to actively and productively working vessels awarded
- 2) Record of conforming to contract requirements
- 3) Standards of good workmanship
- 4) History of reasonable and cooperative behavior
- 5) Commitment to customer satisfaction
- 6) Record of integrity and business ethics
- 7) Business-relations with the customer

A positive record in each of the past performance elements listed above is advantageous to the government.

**D.4. DRY DOCKING SOLICITATION.** Recycling announcements and dry-dock solicitations are advertised concurrently for the same SBRF vessels. The qualified recycling facility in California may respond to both recycling and dry-docking announcements. If the California facility submits offers/quotes for the same vessels in response to both the recycling announcement and the dry-docking solicitation, MARAD will make the apparent best value determinations separately amongst all competing offerors under the selection criteria for each

---

<sup>11</sup> The dry-dock cost adjustment factor will be subtracted from each SBRF vessel sales offer except for those submitted by Mare Island Shipyard (formerly Allied Defense Recycling).

announcement/solicitation. However, if the California facility's recycling offer/quote or dry-docking quote for the same vessel is the apparent best value under both of the recycling announcement and the dry-docking solicitation, MARAD will, at its sole discretion, choose which competing offer or quote from the California facility represents the overall best value to the Government. Overall best value is based on the price and non-price factors used in both the dry-docking and recycling solicitations. If MARAD selects the recycling offer/quote as the overall best value and the California facility subsequently withdraws that offer, MARAD may, at its sole discretion, refuse to consider the California facility's dry-docking quote for the same vessel even though that quote may still represent the best value under the award criteria for the dry-docking solicitation. If MARAD selects the dry-docking quote as the overall best value and that quote is subsequently withdrawn by the California facility, MARAD may, at its sole discretion, refuse to consider the California facility's recycling offer/quote for the same vessel even though that offer may still represent the best value under the award criteria for that announcement.

#### D.5. PAYMENT OF SALE PRICE.

Sales contracts shall be executed by the awardee and returned to the Contracting Officer within ten (10) calendar days from the awardee's receipt of the specific vessel sales contract. Payment of the specified sales price shall be remitted to the Government's account via wire transfer by the awardee within fifteen (15) calendar days from the awardee's receipt of the written notification that such awardee is the apparent best value offer for the sale of the vessel. Failure to remit the sales price to the Government within the prescribed time frame may result in the Government awarding the sales contract to the next best value offeror.

#### D.6. AWARD NOTIFICATION AND DEBRIEFING.

After the best-value selections are made,<sup>12</sup> the agency will notify unsuccessful offerors that their offer/quote was not selected and finalize the awards with the selected best-value offerors. After all the awarded contracts from that announcement, or group of announcements, are posted on MARAD's Virtual Office of Acquisition (VOA), the number of offers received and the name of each awardee including the awarded price and the schedule in the contract will be posted on the Awards page of the Ship Disposal's VOA website and notice will be sent informing offerors of the posting. Offerors then have the opportunity to request information through a debriefing regarding the reason their sales offer or revised price quotation was not accepted, if the reason is not readily apparent in the prices and schedules in the awarded contracts.

---

<sup>12</sup> MARAD may choose not to award a ship disposal contract until a definitive dry-dock availability for that vessel has been established.

**PART IV**

**SHIP DISPOSAL SERVICES SOLICITATION  
RFQ DTMA-91-Q-2013-0013**

[REPLACE WITH SF1449, PAGE 1]



[REPLACE WITH SF1449, PAGE 2]

## **A. INTRODUCTION**

### **A.1 POOL OF QUALIFIED FACILITIES**

Facilities whose General Technical Proposals (GTPs) are found technically acceptable under PART I of this solicitation, and whose GTPs were submitted by companies who are currently registered in the System for Award Management (SAM), will form a pool of qualified facilities eligible to compete to purchase obsolete vessels for disposal under this Ship Disposal Sales Solicitation. Section 6(c)(1) of the National Maritime Heritage Act of 1994, as amended (54 U.S.C. § 308704(c)(1)),<sup>13</sup> and section 3502 of the National Defense Authorization Act, Fiscal Year 2001, regarding the Scrapping of National Defense Reserve Fleet Vessels, as amended,<sup>14</sup> limits scrapping to qualified ship recycling facilities.

### **A.2 AUTHORITY**

This RFQ will be used to obtain revised price quotations for Ship Disposal Services from Offerors in the pool for obsolete vessels that receive no sales offers under Part III, Ship Disposal Sales Solicitation. The simplified acquisition process authorized in Federal Acquisition Regulations (FAR) Part 13 provides, at FAR 13.103, for the use of standing quotations, a competitive process that will facilitate the disposal of MARAD's obsolete vessels through recycling. Use of simplified acquisition procedures for these commercial services is authorized under FAR 13.5, Test Program for Certain Commercial Items; therefore no contract awarded under the standing quotation process will exceed \$6,500,000. This RFQ will be used to solicit ship-specific revised price quotations with the intent to award contracts for ship disposal services. This RFQ may be used to award contracts over the simplified acquisition threshold up to the \$6,500,000 limit established by the Test Program which expired December 31, 2015. After that, contracts for ship disposal services can only be awarded if the amount is under the

---

<sup>13</sup> Section 6(c)(1) of the National Maritime Heritage Act of 1994 was originally enacted in Section 6(c)(1) of Pub. L. 103-451, November 2, 1994, 108 Stat. 4777, and codified at 16 U.S.C. § 5405(c)(1). It has been amended by Section 1026(c) of the National Defense Authorization Act for FY 1998, Pub. L. 105-85, November 18, 1997, 111 Stat. 1878; Section 3502(a) of the National Defense Authorization Act for FY 2001, Pub. L. 106-398, October 30, 2000, 114 Stat. 1654A-490; and Section 3514 of the National Defense Authorization Act for FY 2008, Pub. L. 110-181, January 28, 2008, 122 Stat. 594. The National Maritime Heritage Act was reenacted as part of a recodification in Title 54 Chapter 3087 and 16 U.S.C. § 5405 *et seq.* was repealed in Pub. L. 113-287, §§ 3,7, December 19, 2014, 128 Stat. 3094. No substantive changes were made to the law.

<sup>14</sup> Section 3502 is set forth in 16 U.S.C.A. §5405, note. The original statute was section 3502(b) to (f) of Pub. L. 106-398, October 30, 2000, 114 Stat. 1654. It has been amended by Section 3505(a) of the National Defense Authorization Act of FY 2006, Pub. L. 109-163, Jan. 6, 2006, 119 Stat. 3551; Section 3504 of the National Defense Authorization Act of FY 2012, Pub. L. 112-81, December 31, 2011, 125 Stat. 1717; and Section 3502 of the National Defense Authorization Act of FY 2013, Pub.L. 112-239, January 2, 2013, 126 Stat. 2222. Section 3502 continues to remain in full force and effect after the recodification. The recodification specifically made no substantive changes to the law.

simplified acquisition threshold. If the Test Program is extended, an amendment to this RFQ will be issued.

Selections will be made on a best value basis consistent with the Federal Acquisition Regulation, pursuant to section 6(c)(1) of the National Maritime Heritage Act of 1994, as amended (54 U.S.C. § 308704(c)(1)), and Section 3502, Scrapping of National Defense Reserve Fleet Vessels, of the National Defense Authorization Act, Fiscal Year 2001, as amended.<sup>15</sup>

## **B. REQUEST FOR REVISED PRICE QUOTATIONS**

The Maritime Administration will periodically identify specific vessel(s) for disposal via an electronic Announcement containing both a Request for Sales Offers under Ship Disposal Sales Solicitation (SDPEXC-13001) and a Request for Price Quotations under this RFQ.

Announcements shall only be sent to companies with facilities included in the pool of qualified facilities, which have also complied with the requirements of PART I, paragraph B.3., ADDITIONAL REQUIREMENTS FOR CONTRACTS AWARDED UNDER PART IV, RFQ DTMA-91-Q-2013-0013 (RFQ): submission of a standing quotation (B.3.a.).

**B.1. IDENTIFICATION OF VESSELS.** The Announcement will identify the obsolete vessels from the non-retention vessels currently located in the Maritime Administration's Reserve Fleet sites; Suisun Bay Reserve Fleet (SBRF), Beaumont Reserve Fleet (BRF), James River Reserve Fleet (JRRF), the Navy Inactive Ship Maintenance Facilities (NISMF) in Philadelphia PA (NISMF-PA) and Pearl Harbor, HI (NISMF-HI) and/or other locations as identified in the Announcement. Generally MARAD shall dispose of its high priority vessels first. The Announcement will identify the fleet at which the vessel is located and the price offered shall include all of the work required for preparation of the vessel in that fleet for transit to their facility. When applicable, MARAD will take into consideration and minimize the geographic distance that a vessel must be towed when towing a vessel poses a serious threat to the environment.

In the event an obsolete vessel or vessels listed in the Announcement is/are not sold, MARAD will notify the qualified facilities which vessels in the Announcement did not receive sales offers and on which revised price quotes may be submitted.

## **B.2. AS-IS, WHERE-IS.**

The obsolete vessels are offered for sale on an "AS-IS, WHERE-IS" basis, with no warranty, express or implied, at their current fleet mooring site, or in the case of SBRF vessels, at the delivery location at the Shipyard after undocking. The Government makes no guarantees or warranties, express or implied, regarding the condition of any obsolete vessel and does not guarantee, by expression or implication, or the size, tonnage, or other descriptions of the Obsolete Vessel. The Offeror relies solely on its own inspection with respect to the particulars

---

<sup>15</sup> See footnotes 13 and 14, above.

of the Obsolete Vessel. That if Government furnished information is provided to the Offeror in the course of offer preparation, proposal submittal or ship checks, the Government makes no guarantees or warranties that any documentation provided is current, accurate or complete or in any way represents the "AS-IS" condition of the vessel. If a Government estimate of hazardous material/waste is contained in any such documents, the Government does not guarantee the currency, accuracy or completeness of amounts of hazardous material/waste or any other information contained in such documents. The Government is not responsible for nor will the Government reimburse the awardee for any costs it may incur associated with the disposal the vessel or the remediation, including but not limited to, costs associated with the remediation, removal or disposal of hazardous materials/wastes found on the vessel or generated as a result of remediation, dismantling or recycling processes or procedures.

**B.3. Due Date for Revised Price Quotations.** In the event an obsolete vessel is not sold, MARAD will notify the qualified facilities which vessels did not receive sales offers and on which quotes may be submitted. The due date for quotes will be specified in the Notification and it will generally be one week after the due date of sales offers, unless extended by the Contracting Officer or a new date specified in the Notification. MARAD reserves the right not to request quotes for some or all of the vessels for which sales offers were not received.

**B.4. SHIP DISPOSAL SERVICES CONTRACTS.** The resulting Contracts awarded under this solicitation will be comprised of the following:

The Standard form for acceptance of a price quotation and the firm fixed price and continuation of any block from the SF 1449.

The content in V.C.2., COMMERCIAL ITEM CLAUSES, below:

- 52.212-4, Contract terms and conditions - Commercial items, by reference (see SF 1449 block 27a)
- Any addendum to 52.212-4
- 52.212-5, Contract terms and conditions required to implement statutes and executive orders

The content in the remainder of Subpart V.C, CLAUSES APPLICABLE TO SERVICE CONTRACTS.

The content in SUBPART V.A, CONTRACT CLAUSES AND REQUIREMENTS (APPLICABLE TO SALES AND SERVICE CONTRACTS).

The documents from PART VI, SUPPORTING DOCUMENTS, of the solicitation referenced in the above Sections.

Documents incorporated by Reference:

- The qualified facility's approved General Technical Proposal, inclusive of its Technical Compliance Plan, incorporated by reference and date.<sup>16</sup>

<sup>16</sup> Until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall

- The applicable DOL Wage Determination applicable for the location of the qualified facility.

Note: Pursuant to IV.C.5, by submitting a price quotation Contractor is confirming that the representations and certifications posted electronically at FAR 52.212-3 Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to the Ship Disposal Services Solicitation as of the date of its price quotation, and are incorporated into its price quotation.

## **C. INSTRUCTIONS FOR SUBMISSION OF PRICE QUOTATIONS.**

### **C.1. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://acquisition.gov/far/current/html/FARTOCP52.html>

### **52.212-1— INSTRUCTIONS TO OFFERORS—INSTRUCTIONS TO OFFERORS— COMMERCIAL ITEMS (APR 2014).**

If the price quotation submitted exceeds \$500,000, then the following provision applies:

### **52.209-9— UPDATES OF PUBLICLY AVAILABLE INFORMATION REGARDING RESPONSIBILITY MATTERS (JUL 2013).**

**C.2. SUBMISSION VIA ELECTRONIC MAIL.** Quotes must be submitted via email to the email address specified in the Announcement at the date and time specified, unless amended. All quotes shall remain valid for a period of 90 days from the date of submittal. MARAD reserves the right to request a 30 day extension from an offeror or offerors.

**C.3. SHIP-SPECIFIC REVISED PRICE QUOTATIONS.** The single-ship fixed revised price quotations for each vessel shall be based on the terms of the Announcement, as amended, this

---

perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility’s approved GTP or TCP, the facility’s approved, “old GTP,” including TCP, shall be substituted. Once a facility’s new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

RFQ, as amended, the Ship Disposal Solicitation, and the Ship Disposal Services Contract, as specified in paragraph B.4, above.

C.3.a. Single-Ship Fixed Pricing. Price quotes will be based on a single-ship price for each vessel and shall not include economies of scale, multiple ships or group combinations of various ships or contingency offers unless specifically requested by MARAD in the request for pricing.

C.3.b. Service Contract Labor Standards and Executive Order Minimum Wage Rate. The clause FAR 52.222-41 - Service Contract Labor Standards applies to recycling service contracts if the awarded contract is over \$2,500. Wage determinations applicable to the qualified facilities in the pool will be incorporated in service contracts awarded in response to each Announcement. MARAD will include information regarding applicable wage determinations in each Announcement. In addition, the clause FAR 52.222-55 -- Minimum Wages Under Executive Order 13658 (Dec 2014) applies to ship disposal services contracts awarded under the RFQ. Under FAR 52.222-55, the contractor is required to pay the E.O. minimum wage rate whenever it is higher than the wage rate specified in the Wage Determination or the rate specified in the collective bargaining agreement, if applicable.

C.4. REQUIRED DOCUMENT SUBMITTALS. In addition to the Ship-Specific Revised Price Quotation, the documents identified below are required for each and every vessel on which a Price Quotation is submitted. Offeror's are cautioned that failure to submit any of the following documents may result in rejection of a Price Quotation.

C.4.a. General Technical Proposal Updates. Updates to original general technical proposals including any and all changes to the Technical Compliance Plan and changes affecting the requisite Environmental Compliance Plan, Operational Plan, Business Plan, and Health and Safety Plan.

C.4.b. Scaled Facility Diagram. A scaled facility diagram shall be provided that clearly indicates the location of existing work, the placement of the vessel(s) included in the price quote upon their arrival at the Buyer's facility and the proposed sequence of the vessel(s) into the dismantling slip. Vessels awarded must be moored at the contractor's qualified facility, not at off-site locations where access to the vessel precludes active contract performance.

C.4.c. Underwater Hull Cleaning. If underwater hull cleaning is required for a specific vessel, and MARAD requires the offerors to contract with a MARAD qualified underwater hull cleaning contractor to perform the underwater hull cleaning as part of the contract, the offerors shall include in their price quote copy the quotation from the contractor for cleaning the underwater hull. Please see **Part V, Contract Clauses and Requirements, Subpart A.2.d.1)c)**, for the contractors qualified by MARAD to conduct underwater hull cleaning.

C.4.d. Initial Single-Ship Integrated Schedules. Offerors shall submit single-ship integrated performance schedules for each vessel on which a price quote is submitted. Each individual ship shall be integrated with all other MARAD, Navy and commercial work at or expected to be at the offerors recycling facility during the proposed vessel dismantling period to determine the offerors reasonable performance period duration for each vessel based on a single-ship award. See Part VI. Supporting Documents, Sections F(1) through F(3) Performance Schedule Milestones, for requirements for performance schedules.

- 1) Required Content for Integrated Performance Schedules. Performance schedules, whether single-ship integrated or multi-ship integrated, shall utilize the notional contract start date included in the request for pricing announcement. Performance schedules shall indicate a logical sequence of events for vessel dismantlement and shall include all the major milestones as listed in Part VI. Supporting Documents, Sections F(1) through F(3) Performance Schedule Milestones, posted on FedBizOps and located in the VOA Ship Disposal technical library. Single-ship or multi-ship integrated performance schedules shall include all other awarded Maritime Administration, Navy and commercial work in process and expected to be in process during the schedule recycling period for the individual vessels. Offerors shall factor into the schedule the interface, impact and sequencing of existing dismantlement projects with the dismantlement of the individual vessels included in the sales offer or revised price quotation. Performance schedules submitted in support of sales offers for vessels departing from the JRRF, BRF, and NISMF shall have their calendar day period of performance calculated based on the difference between the following two notional milestones: 1) Contract Start Date and 2) the Final Close-Out Report Submittal Date. Performance schedules submitted in support of sales offers for vessels departing from the SBRF shall have the calendar day period of performance calculated based on the difference between the following two notional milestones: 1) Undocking Date and 2) the Final Close-Out Report Submittal Date. Performance schedules must include the performance of the underwater hull cleaning or the dry-docking for hull cleaning activities as a separate specific activity and not included as part of any other activities listed on the performance schedules, and must utilize a five (5) calendar day duration for the performance of the underwater hull cleaning, and a twelve (12) calendar day duration for the performance of the dry-docking for hull cleaning activities. Performance schedules shall be submitted in support of the price offer and requested multi-ship combinations. The performance schedules shall be submitted in MS Project 2010.
- 2) Sequencing Narrative. A narrative description outlining single-ship integrated or multi-vessel sequencing and scheduling shall accompany the price quote. The narrative shall clearly describe the offeror's intended plan for the movement of the vessels through the offeror's facility during the dismantlement process, clearly integrating newly awarded vessels into the dismantlement sequence with existing

MARAD and Navy dismantlement projects. Offerors shall indicate the placement of the vessel(s) upon arrival at their facility and planned placement into the dismantlement slip.

#### C.5. REPRESENTATIONS AND CERTIFICATIONS.

##### C.5.a. 52.204-7 SYSTEM FOR AWARD MANAGEMENT (JUL 2013)

(a) Definitions. As used in this provision--

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System+4 (DUNS+4) number" means the DUNS number means the number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional System for Award Management records for identifying alternative Electronic Funds Transfer (EFT) accounts (see the FAR at Subpart 32.11) for the same concern.

"Registered in the SAM database" means that--

(1) The offeror has entered all mandatory information, including the DUNS number or the DUNS+4 number, the Contractor and Government Entity (CAGE) code, as well as data required by the Federal Funding Accountability and Transparency Act of 2006 (see Subpart 4.14) into the SAM database;

(2) The offeror has completed the Core, Assertions, and Representations and Certifications, and Points of Contact sections of the registration in the SAM database; and

(3) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS). The offeror will be required to provide consent for TIN validation to the Government as a part of the SAM registration process; and

(4) The Government has marked the record "Active".

(b) (1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the SAM database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

(2) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS+4" followed by the DUNS or DUNS+4 number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the SAM database.

(c) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

(1) An offeror may obtain a DUNS number--

(i) Via the internet at <http://fedgov.dnb.com/webform> or if the offeror does not have internet access, it may call Dun and Bradstreet at 1-866-705-5711 if located within the United States; or



- (ii) If located outside the United States, by contacting the local Dun and Bradstreet office. The offeror should indicate that it is an offeror for a U.S. Government contract when contacting the local Dun and Bradstreet office.
- (2) The offeror should be prepared to provide the following information:
- (i) Company legal business name.
  - (ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.
  - (iii) Company physical street address, city, state and Zip Code.
  - (iv) Company mailing address, city, state and Zip Code (if separate from physical).
  - (v) Company telephone number.
  - (vi) Date the company was started.
  - (vii) Number of employees at your location.
  - (viii) Chief executive officer/key manager.
  - (ix) Line of business (industry).
  - (x) Company Headquarters name and address (reporting relationship within your entity).
- (d) If the Offeror does not become registered in the SAM database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.
- (e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.
- (f) Offerors may obtain information on registration at <https://www.acquisition.gov>.

(End of Clause)

C.5.b. As qualified facilities eligible to compete under this RFQ are required to complete and maintain annual representations and certification electronically via <http://www.acquisition.gov> (see PART I, Paragraph A.5 and PART V, Paragraph C.2.d), only paragraph (b) of the provision at FAR 52.212-3—OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (MAY 2014), set forth below, shall be completed by the Offeror and submitted with its price quotation.

For full text of the provision see:

<http://acquisition.gov/far/current/html/FARTOCP52.html>

52.212-3—OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (MAY 2014).

Paragraph (b) is set forth in full below:

52.212-3—OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (MAY 2014).

An offeror shall complete only paragraphs (b) of this provision if the offeror has completed the annual representations and certificates electronically via <http://www.acquisition.gov>.

(b)(1) *Annual Representations and Certifications.* Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the SAM website.

(2) The offeror has completed the annual representations and certifications electronically via the SAM website accessed through <https://www.acquisition.gov>. After reviewing the SAM database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212–3, Offeror Representations and Certifications--Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs \_\_\_\_\_.

*[Offeror to identify the applicable paragraphs at (c) through (o) of this provision that the offeror has completed for the purposes of this solicitation only, if any.*

*These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.*

*Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted electronically on SAM.]*

C.5.c. The NAICS Code for this certification is 336611, Ship dismantling at shipyards.

C.6 MULTI-VESSEL INTEGRATED PERFORMANCE SCHEDULES. After the initial evaluation of the price quotes and establishment of the competitive range, MARAD may request performance schedules for specific multi-ship combinations that require offeror(s) to submit additional integrated performance schedules. The integrated performance schedules shall identify the offeror's proposed vessel sequencing, integrated vessel performance periods and the performance period for each of the requested vessels in the multi-ship combination. MARAD will not request and will not accept any changes to the initial single-ship price quotations.

## **D. EVALUATION AND AWARD OF SHIP DISPOSAL SERVICES CONTRACTS**

D.1. EVALUATION OF ALL VESSELS IN THE ANNOUNCEMENT(S). For each Announcement the award decision will consider all of the vessels together.

D.1.a. Threshold Evaluation.

D.1.a.1) Continued Technical Acceptability of GTP - Updates to the GTP will be evaluated to determine whether the proposal remains technically acceptable. The updated GTP must continue to demonstrate that the offeror has the approach, capacity, productivity, facilities, and experience to dispose of obsolete vessel(s) in a cost effective, timely manner that is environmentally sound and satisfactorily takes into account worker health and safety. The same criteria specified in PART I, Qualification of Recycling Facilities, will be utilized in evaluating any updates submitted. If the updated general technical proposal is no longer technically acceptable, the sales offer will not be considered for award.

D.1.a.2) EXCEPTION(S) TO TERMS. Ship-Specific Price Quotations, including all of the required documentation and cover letter, that take exception to, unilaterally change, or are contrary to the terms and conditions in the Ship Disposal Services Solicitation RFQ DTMA-91-Q-2013-0013, any Announcement, or the Ship Disposal Services Contract, as identified in paragraph B.4, above, will not be considered for award.

D.1.b. Establishment of the Competitive Range. MARAD will evaluate the initial price quotations and may establish a competitive range of the most highly rated offers using the evaluation factors set forth in paragraph D.3 below.

D.1.c. Request for Multi-Ship Integrated Schedules. Once the competitive range has been established, MARAD may request multi-ship integrated schedules (see C.6) from offerors in the competitive range that are being considered for award of more than one vessel. MARAD will specify the ship combinations.

D.2. BASIS FOR AWARD. Award will be made on a best value basis<sup>17</sup>, to the responsible Offeror with a technically acceptable proposal whose offer(s), in conformance with this solicitation, is (are) evaluated to be most advantageous to the Government, price and non-price factors considered. Awards will be made on a “best value” basis consistent with the Federal Acquisition Regulation (FAR). Awards will be made on a “best value” basis consistent with the Federal Acquisition Regulation (FAR). Part 13 of the FAR is applicable as this procurement is a simplified acquisition. “Best value” means the expected outcome of an acquisition that, in the Government’s estimation, provides the greatest overall benefit in response to the requirement. Award on the basis of “best value” allows the trade-off of price and non-price factors to achieve the greatest overall benefit to government for each group of vessels. Here, a trade-off is appropriate when it may be in the best interest of the Government to consider award to other than the lowest priced quote because of differences in schedule, capacity and/or past performance. No dollars for day’s formula or fixed ratio are used when a tradeoff is appropriate. MARAD

---

<sup>17</sup> Selection based on best value utilizing non-price and price factors is consistent with 54 U.S.C. § 308704 (c)(1)(B) and section 3502(b) of the 2001 National Defense Authorization Act, as amended. See footnotes 13 and 14, above.

reserves the right not to award any contracts under this solicitation if it determines that no offer is advantageous to the government.

**D.3 EVALUATION FACTORS.** Three evaluation factors are considered when making the best value selection decision. The factors are not listed in any particular order of priority or importance, as permitted by the simplified acquisition procedures of the FAR. Historically, however, since the agency began awarding recycling contracts on the basis of best value using the three evaluation factors, a majority of the contracts have been awarded to the highest sales offer or, when no sales offer was received, were awarded to the lowest price quoted. The evaluation criteria for award are as follows:

- Performance Schedule and the Vendor's available capacity (non-price factor).
- Price Factor - The price and, when applicable, the cost to dry-dock an SBRF vessel or the cost to perform underwater hull cleaning. (See Price and Price-Related Factor below.)
- Past Performance (non-price factor).

**D.3.a. Price and Price-Related Factor.** The agency has determined that the total cost to the government of any given award must be considered. Consequently, when awarding a SBRF vessel the agency will consider, as a price-related factor, the cost to the Government of dry-docking a vessel that is being recycled outside the San Francisco Bay area. The agency will utilize actual award prices for dry-docking that specific vessel. Therefore, for vessel-specific price quotations, the actual cost of dry-docking the vessel will be added to each vessel quote<sup>18</sup> to arrive at the total evaluated price that will be used in the best value determination.

**D.3.b. Past Performance.** Under this factor, MARAD evaluates an offeror's performance under prior MARAD contracts consistent with FAR 42.1501 Contractor Performance Information:

- 8) Adherence to contract schedules, including the resources and ability to actively and productively working vessels awarded
- 9) Record of conforming to contract requirements
- 10) Standards of good workmanship
- 11) History of reasonable and cooperative behavior
- 12) Commitment to customer satisfaction
- 13) Record of integrity and business ethics
- 14) Business-relations with the customer

A positive record in each of the past performance elements listed above is advantageous to the government.

**D.4. DRY DOCKING SOLICITATION.** Recycling announcements and dry-dock solicitations are advertised concurrently for the same SBRF vessels. The qualified recycling facility in California may respond to both recycling and dry-docking announcements. If the California

---

<sup>18</sup> The dry-dock cost adjustment factor will be added to each SBRF price quote except for those submitted by Mare Island Shipyard (formerly Allied Defense Recycling).

facility submits offers/quotes for the same vessels in response to both the recycling announcement and the dry-docking solicitation, MARAD will make the apparent best value determinations separately amongst all competing offerors under the selection criteria for each announcement/solicitation. However, if the California facility's recycling offer/quote or dry-docking quote for the same vessel is the apparent best value under both of the recycling announcement and the dry-docking solicitation, MARAD will, at its sole discretion, choose which competing offer or quote from the California facility represents the overall best value to the Government. Overall best value is based on the price and non-price factors used in both the dry-docking and recycling solicitations. If MARAD selects the recycling offer/quote as the overall best value and the California facility subsequently withdraws that offer, MARAD may, at its sole discretion, refuse to consider the California facility's dry-docking quote for the same vessel even though that quote may still represent the best value under the award criteria for the dry-docking solicitation. If MARAD selects the dry-docking quote as the overall best value and that quote is subsequently withdrawn by the California facility, MARAD may, at its sole discretion, refuse to consider the California facility's recycling offer/quote for the same vessel even though that offer may still represent the best value under the award criteria for that announcement.

D.5. AWARD NOTIFICATION AND DEBRIEFING. After the best-value selections are made, the agency will notify unsuccessful offerors that their offer/quote was not selected and finalize the awards with the selected best-value offerors. After all the awarded contracts from that announcement, or group of announcements, are posted on MARAD's Virtual Office of Acquisition (VOA), the number of offers received and the name of each awardee including the awarded price and the schedule in the contract will be posted on the Awards page of the Ship Disposal's VOA website and notice will be sent informing offerors of the posting. Offerors then have the opportunity to request information through a debriefing regarding the reason their price quotation was not accepted, if the reason is not readily apparent in the prices and schedules in the awarded contracts.

## **PART V**

### **CONTRACT CLAUSES AND REQUIREMENTS<sup>19</sup>**

The resulting contracts awarded under this solicitation will be comprised of the following:

#### **SHIP DISPOSAL SALES CONTRACTS**

(see Part VI, Section K for a sample ship disposal sales contract)

The content in SUBPART V.B, CLAUSES APPLICABLE TO SALES CONTRACTS.
The content in SUBPART V.A, CONTRACT CLAUSES AND REQUIREMENTS (APPLICABLE TO SALES AND SERVICE CONTRACTS).
The documents from PART VI, SUPPORTING DOCUMENTS, of the solicitation referenced in the above Sections.
The qualified facility's approved General Technical Proposal, inclusive of its Technical Compliance Plan, incorporated by reference and date.
Bill of Sale

#### **SHIP DISPOSAL SERVICES CONTRACTS**

(see Part VI, Section L for a sample ship disposal services contract)

The Standard form for acceptance of a price quotation and the firm fixed price and continuation of any block from the SF 1449.
The content in V.C.2., COMMERCIAL ITEM CLAUSES, below: <ul style="list-style-type: none"><li>- 52.212-4, Contract terms and conditions – Commercial items, by reference (see SF 1449 block 27a)</li><li>- Any addendum to 52.212-4</li><li>- 52.212-5, Contract terms and conditions required to implement statutes and executive orders</li></ul>
The content in the remainder of SUBPART V.C, CLAUSES APPLICABLE TO SERVICE CONTRACTS.
The content in SUBPART V.A, CONTRACT CLAUSES AND REQUIREMENTS (APPLICABLE TO SALES AND SERVICE CONTRACTS).

---

<sup>19</sup> Until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility's approved GTP or TCP, the facility's approved, “old GTP,” including TCP, shall be substituted. Once a facility's new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

The documents from PART VI, SUPPORTING DOCUMENTS, of the solicitation referenced in the above Sections.
Documents incorporated by Reference: <ul style="list-style-type: none"><li>- The qualified facility's approved General Technical Proposal, inclusive of its Technical Compliance Plan, incorporated by reference and date.</li><li>- The applicable DOL Wage Determination applicable for the location of the qualified facility.</li></ul>
Note: Pursuant to IV.C.5, by submitting a price quotation Contractor is confirming that the representations and certifications posted electronically at FAR 52.212-3 Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to the Ship Disposal Services Solicitation as of the date of its price quotation, and are incorporated into its price quotation.

**SUBPART V.A.**  
**CLAUSES AND REQUIREMENTS**  
**(APPLICABLE TO SALES AND SERVICE CONTRACTS)**

The contract clauses listed below are specific to the Maritime Administration (“MARAD” or “the Agency” or “the Government”) and are applicable to both sales and service contracts for the disposal of obsolete MARAD, U.S. Navy and other Federal Agency vessels.

**DEFINITIONS.**

The following terms used in this Contract are defined as follows:

Dismantlement. The term “dismantlement” means, with respect to the Obsolete Vessel, the reduction of all materials, components, and structures of the Obsolete Vessel to its basic material and/or recyclable content. To dismantle the Obsolete Vessel means to deconstruct, dismember, or destroy the hull and superstructure and all component parts thereof in such a manner that no considerable part of the material is left intact or undisturbed to the extent that it can be readily identified as an existing portion of the original hull or superstructure. Dismantlement includes the complete removal from the slip of all portions of the Obsolete Vessel including, but not limited to, the hull, inner bottom, bulkhead, deck and deck house materials, as well as all floors, longitudinals, webs, girders and other framing.

Day. Unless otherwise specified in the Contract, all references to “day” are references to calendar days and all time periods set forth herein shall be calculated with calendar days specifically including weekends and holidays.

Disposal. The term “disposal”, with respect to the Obsolete Vessel, includes the remediation of hazardous materials and dismantlement of the Obsolete Vessel.

Hazardous Materials. The term “hazardous materials” is defined in paragraph A.2.e.2) of this Contract.

Hull. The term “hull” means the framework of a vessel, including the keel, together with all decks, deck houses, tanks, the inside and outside plating and all steel bulkheads, but exclusive of masts, yards, rigging, machinery, outfit and equipment.

Obsolete Vessel. The term “Obsolete Vessel” means the vessel identified in the Contract, including any equipment and components on or attached thereto.

Remediation. The term “remediation” includes, with respect to hazardous materials, the removal, shipping or transporting, and disposal of hazardous materials taken from the



Obsolete Vessel or generated by the Contractor during the disposal of the Obsolete Vessel.

## **A.1 GENERAL TERMS AND CONDITIONS**

### **A.1.a. NO WARRANTY BY THE GOVERNMENT**

The Contractor acknowledges and agrees that:

The Obsolete Vessel is awarded on an "AS IS, WHERE IS" basis, with no warranty, expressed or implied, at its current fleet mooring site, or in the case of SBRF vessels, at the delivery location at the Shipyard after undocking. The Government makes no guarantees or warranties, express or implied, regarding the condition of any obsolete vessel and does not guarantee, by expression or implication, or the size, tonnage, or other descriptions of the Obsolete Vessel. The Contractor relies solely on its own inspection with respect to the particulars of the Obsolete Vessel. That if Government furnished information is provided to the Contractor in the course of offer preparation, proposal submittal or ship checks, the Government makes no guarantees or warranties that any documentation provided is current, accurate or complete or in any way represents the "AS-IS" condition of the vessel. If a Government estimate of hazardous material/waste is contained in any such documents, the Government does not guarantee the currency, accuracy or completeness of amounts of hazardous material/waste or any other information contained in such document. The Government is not responsible for nor will the Government reimburse the Contractor for any costs the Contractor may incur associated with the disposal of the vessel, including but not limited to, costs associated with the remediation, removal or disposal of hazardous materials/wastes found on the vessel or generated as a result of remediation, dismantling or recycling processes or procedures.

### **A.1.b. RESTRICTIONS ON THE USE OR SALE OF THE OBSOLETE VESSEL**

- 1) The Contractor is awarded the Obsolete Vessel for the sole purpose of preparing the Obsolete Vessel for inland and ocean towing, towing the Obsolete Vessel to and disposing of the Obsolete Vessel at the Contractor's facility specified in the Contract.
- 2) The Contractor shall not at any time operate the Obsolete Vessel, or cause or permit the same to be operated, and shall not carry on the Obsolete Vessel, or cause or permit to be carried on the same, any cargo or passengers for its own account or for the account of others, or use the Obsolete Vessel's hull, superstructures or any part thereof, or cause or permit the same to be used for any commercial purpose whatsoever, while moving the Obsolete Vessel from its present location to the plant or yard at which the Obsolete Vessel is to be disposed of, or at any other time. In the event the Contractor shall at any time operate or use the whole of the Obsolete Vessel's hull, superstructure, structural components, or portions thereof, or cause or permit same to be operated or used as a means of, or as an aid in, the transporting of

passengers or cargo, the Contractor shall pay to the Contracting Officer, as liquidated damages and not as a penalty, in addition to any other sum or sums payable hereunder, the sum of one thousand dollars (\$1,000) for each calendar day such Obsolete Vessel is in operation or use.

- 3) Restrictions of the Sale of the Obsolete Vessel. The Contractor shall neither sell nor assign any of its rights or obligations hereunder, nor resell the Obsolete Vessel, without the prior written consent of the Contracting Officer. Only resale of the Obsolete Vessel to a facility already qualified under Part I of this solicitation will be considered. For service contracts awarded under the RFQ, the Contractor may assign its rights to receive payment due as a result of performance of this Contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. § 3727), consistent with paragraph (b) **C.6 52.212-4 -- Contract Terms and Conditions -- Commercial Items** in PART V.C.

A.1.c. PERFORMANCE BOND.

The Contractor must furnish to the Contracting Officer a performance bond to secure the faithful performance and observance of all the agreements, covenants and conditions to be performed and observed by the Contractor hereunder. The aforesaid bond may be in the form of a United States commercial surety company bond on SF 1418, Performance Bond, U.S. Government securities, irrevocable letter of credit issued by a U.S. citizen financial institution, the written guaranty of the Government of which the Contractor is a National, or other form of United States security satisfactory to the Contracting Officer. Such bond shall be in the amount of \$ \_\_\_\_\_ [INSERT APPLICABLE AMOUNT PER PART VI. SUPPORTING DOCUMENTS, SECTION D. PERFORMANCE BOND GUIDELINES.] and shall remain in full force and effect until the Contractor submits the Final Close-Out Report inclusive of the Certificate of Destruction to satisfactorily establish full and complete performance and observance of all the terms and conditions set forth in this Contract and the Contracting Officer accepts that Report in writing.

A.1.d. CONTRACTOR'S GUARANTEE AND INDEMNITY.

- 1) The Contractor agrees to hold the Government and the Maritime Administration, its officers, employees, agents, attorneys, heirs, successors and assigns free and harmless from and against any and all claims and to indemnify, protect, and defend the Government and MARAD against any claims in excess of the insurance coverage required under the Contract.
- 2) Contractor Agrees to Hold MARAD Harmless.  
The Contractor hereby absolutely, irrevocably and unconditionally guarantees that in the event any claim against MARAD is filed by any governmental unit, national, state or local, or any private party in a qui tam action or otherwise, for any fee, fine, penalty or monetary award, in connection with disposal of the Obsolete Vessel, the Contractor shall promptly take

any and all actions needed to ameliorate, defend and pay the fee, fine, penalty or monetary award.

3) No Discharge or Setoff.

The Contractor hereby consents and agrees that its obligations under this Contract will not be discharged by any act or omission by MARAD. Except as expressly authorized in A.3.g.6), B.7.b (for sales contracts only), and FAR Clause 52.212-4(l) Termination for the Government's Convenience (for service contracts only) , any amount payable by the Contractor hereunder shall not be subject to any reduction by reason of any counterclaim, set-off, deduction, abatement or otherwise.

4) Contractor Responsible for all Costs for Obligations Under this Contract.

The Contractor shall pay all reasonable costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection with the enforcement of the obligations of the Contractor under this Contract. It is expressly agreed that the liability of the Contractor for the payment of the obligations guaranteed herein shall be primary and not secondary.

a) This guarantee of payment on the part of Contractor shall:

- i. Remain in full force and effect so long as any obligation of the Contractor exists under this Contract;
- ii. Be binding upon the Contractor, its successors and assigns;
- iii. Be executed and issued for the sole and exclusive benefit of the United States, and no other party shall be permitted to claim any benefit, direct or indirect, there from; and
- iv. Inure to the benefit of, and be enforceable by MARAD, its successors and assigns.

A.1.e. CONTRACTOR REPRESENTATIONS

The Contractor represents as follows:

- 1) The Contractor has full power and authority (corporate, legal and other) to execute, deliver and carry out the terms of this Contract;
- 2) This Contract has been duly authorized, executed and delivered by the Contractor and constitutes the legal, valid and binding obligation of the Contractor enforceable against the Contractor in accordance with its terms;
- 3) The execution, delivery and performance by the Contractor of this Contract does not require the approval or consent of its shareholders or of any governmental authority and does not contravene the Contractor's Articles or Certificate of Incorporation or other governing documents, or any mortgage, indenture or other agreement binding upon it, or any law, regulation, order, judgment or decree applicable to the Contractor; and

- 4) The Contractor has fully adequate financial resources, funds, and assets to satisfy their obligations under this Contract, and the Contractor will in the future retain financial resources, funds, and assets to fully satisfy its obligations under this Contract.

A.1.f. INSURANCE.

1) Insurance requirements.

The Contractor shall at its expense, provide and maintain the following types of required insurance and minimum coverage throughout the disposal of the Obsolete Vessel:

- a) Insurance Certificates for Workmen's Compensation, including Longshoremen & Harbor Worker's Act coverage. Covering all agents, servants, borrowed servants, statutory employees of Contractor for all compensation and other benefits required by applicable state and federal law or by governmental authority on account of injury, death, sickness or disease - Statutory - no minimum.
- b) Employers Liability, to cover both injury and death resulting from accident, sickness or disease
  - \$5 million bodily injury by accident, each accident.
  - \$5 million bodily injury by disease each accident.
  - \$5 million bodily injury by disease in the aggregate.
- c) Maritime Employers Liability (Jones Act) to cover both injury and death resulting from accident, sickness or disease
  - \$5 million for each person per occurrence
  - \$5 million in the aggregate.
- d) Comprehensive General Liability to include coverage for (but not limited to) products and completed operations liability, property damage liability and contractual liability
  - \$5 million combined single per occurrence limit for bodily injury and property damage
  - \$5 million in the aggregate.
- e) Pollution - Sudden and accidental liability, to cover sudden and accidental pollution events occurring at Contractor's facility.
  - \$5 Million per occurrence.
- f) Lead Abatement Liability Policy with a minimum limit of
  - \$2 Million per occurrence. Verification of coverage is for the company that will conduct the abatement; *provided, however*, that this coverage is required only if the presence of lead is validated after the Contractor's analytical testing of the samples taken after the arrival of the vessel.
- g) Asbestos Abatement Liability Policy with a minimum limit of
  - \$2 Million per occurrence. Verification of coverage is for the company that will conduct the abatement.
- h) Towing Insurance.

The coverage below must be in effect while the Obsolete Vessel is being towed:

  - i. Tower's Liability: When the Obsolete Vessel is being moved it must have full form tower's liability with the United States of America being named and waived.

- Minimum Coverage Requirements: \$5 million limit.
  - ii. Hull and Machinery, Minimum Coverage Requirements: The Contractor shall ensure that any tower of the Obsolete Vessel shall maintain broad form collision tower's liability with a limit of \$5 million. The tower shall also insure each tug performing under this Contract with Protection and Indemnity Insurance.
    - Minimum limit of \$5 million and Hull & Machinery Insurance covering the value of each tug.
  - iii. Marine Protection and Indemnity (P&I), including, but not limited to, pollution liability, full collision liability, and removal of wreck. This coverage shall include insurance for damage to third parties however caused arising out of movement of the Obsolete Vessel from the site where it is located until it arrives at the location where it will be disposed of.
    - Minimum Coverage Requirements: \$10 million per occurrence
- 2) Form of Confirmation.
- All insurance coverage required by this Contract must meet the following requirements:
- a) Certificate Of Insurance. The Contractor shall have its insurance broker provide a detailed certificate of insurance, cover note or policy confirming all of the above-required coverage. All insurance certificates shall include the name of the Obsolete Vessel being insured. The confirmation shall confirm the types of coverage, policy forms, policy periods, deductibles (if any) and underwriters with their percentage of participation. The N.Y. Suable Clause or Service of Suit USA Clause must be confirmed for any foreign underwriter placements. The policy amounts, terms and conditions, deductibles and underwriters shall at all times be satisfactory to the Maritime Administration. The Contractor shall insert the substance of this clause in subcontracts under this Contract that require work on a Government installation.
  - b) United States of America named as assured. All of the required insurance policies shall name the United States of America as an assured and shall provide that all losses shall be payable to the Secretary of Transportation acting by and through the Maritime Administrator. The policies shall also provide no recourse against the United States of America for payment of premium and a 10 calendar day prior written notice of cancellation or material change in the policy to the Department of Transportation, Maritime Administration, Director, Office of Marine Insurance, MAR-780, 1200 New Jersey Ave., SE, W23-453, Washington, DC 20590. The amounts, limits, terms and conditions, deductibles and underwriters in all the above policies shall be satisfactory to the Maritime Administration.
  - c) Pollution Insurance. The pollution insurance may be a separate policy or part of the Comprehensive General Liability policy, but the coverage must be specifically shown on the required confirmation of insurance. Excess liability and umbrella liability policies may be used in the excess of primary policies to meet the minimum limit requirements.
- 3) MARAD Approval of Insurance.

- a) The certificates of insurance prepared pursuant to paragraph 2) shall be submitted to the COR not later than 5 calendar days after the contract award; *except*:
  - i. Pollution – Sudden and Accidental Liability Insurance. The certificate of insurance for the pollution – sudden and accidental liability insurance required by paragraph 1)e) above shall be submitted to the COR not later than three (3) calendar days prior to the departure of the Obsolete Vessel from the specified fleet location; and
  - ii. Lead Abatement Liability Insurance. The certificate of insurance for the lead abatement liability insurance, if required by paragraph 1)f) above, shall be submitted to the COR not later than 10 calendar days after the Contractor receives sampling results showing the presence of lead.
  - iii. Towers Insurance. The certificate of insurance for the towers insurance required by paragraph 1)h) shall be submitted to the COR not later than seven (7) calendar days prior to the departure of the Obsolete Vessel from the specified delivery location.
- b) Any delay or additional costs of the tow resulting from non-compliance with the required insurance requirements shall be the responsibility of the Contractor. Said certificates shall be subject to the approval of the Division of Marine Insurance, Maritime Administration, and will contain thirty (30) calendar days advance notice of cancellation (without disclaimer) or of any non-renewal which is the option of the insurer, said notice to be provided to the U.S. Department of Transportation, Maritime Administration, Office of Marine Insurance, MAR-780, 1200 New Jersey Avenue, SE, W23-453, Washington, DC 20590.

A.1.g. DELIVERY OF THE OBSOLETE VESSEL

1) AS-IS, WHERE-IS.

The Obsolete Vessel is awarded on an "AS IS, WHERE IS" basis, with no warranty, expressed or implied, at its current fleet mooring site, or in the case of SBRF vessels, at the delivery location at the Shipyard after undocking. The Contractor agrees to accept delivery of the Obsolete Vessel, on an "AS IS, WHERE IS" basis, with no warranty, expressed or implied, at the location and date specified in this Contract, as amended, for the purpose of preparation of the Obsolete Vessel for inland and ocean tow. The Contractor further agrees, except as provided in the clause A.3.g. Excusable Delays, not to make or assert any claim against the Government with respect to the disposal of the Obsolete Vessel under this Contract, including but not limited to any information provided by the Government or the actual costs of remediation, removal or disposal of hazardous materials/wastes found on the vessel or generated as a result of Contractor remediation, dismantling or recycling processes or procedures. The delivery of the Obsolete Vessel by the Government and the acceptance thereof by the Contractor shall constitute full performance by the Government of all obligations under with respect to such Obsolete Vessel.

2) Supplies, Equipment or Spare Parts.

The Government shall not be responsible for furnishing any stores, supplies, equipment or spare parts over and above those on board the Obsolete Vessel at the time of delivery; *provided*, however, that all rectifiers, rheostats, junction boxes, switches, fenders, mooring gear, and electric cable used in the cathodic protection systems, and demountable crosswalks, if any on board the Obsolete Vessel at the time of delivery, shall remain the property of the Government.

a) Retained Components, Equipment or Materials.

If the vessel specific pricing announcement provided that the Government would retain any vessel components, equipment or materials from this Obsolete Vessel in addition to those specified above, the Contractor agrees to dispose of such vessel components, equipment and materials as specified in the announcement.

3) Normal Deterioration

The Obsolete Vessel is awarded “AS-IS, WHERE-IS” on the date the Offeror’s offer/quote is submitted. Any material changes in the Obsolete Vessel resulting from normal deterioration after the Contractor’s proposal was submitted shall be at the risk of the Contractor. The Government reserves the right to perform any work on the Obsolete Vessel or affect any material change to the Obsolete Vessel or its contents deemed necessary by the Contracting Officer to protect the environment or to maintain the Obsolete Vessel in a safe and seaworthy condition at no cost to the Contractor. The Contractor shall not be entitled to assert any claim against the Government or the Administrator with respect to such changes.

4) Delivery of the Vessel

The Government will, without cost or expense to the Contractor, but at the risk of the Contractor, render the Obsolete Vessel free of moorings at its location, and make such Obsolete Vessel available at such location specified in the Contract:

[Insert place of delivery]

The Obsolete Vessel will be available for delivery to the Contractor at the specified delivery location on the date specified in the Contract,<sup>20</sup> *provided* that the Government shall not be obligated to deliver any Obsolete Vessel on Saturdays, Sundays, or federal holidays. The Government shall not be liable for delay in making the Obsolete Vessel available for delivery due to conditions beyond its control or conditions which by the exercise of reasonable diligence it was unable to prevent.

5) Removal of Vessel

---

<sup>20</sup> A Contract modification specifying the delivery date will be issued for SBRF and NISMF vessels once such date is finalized.

For SBRF and NISMF vessels, the Obsolete Vessel shall be removed from the specified delivery location by the date specified in the Contract. For JRRF and BRF vessels, the Obsolete Vessel shall be removed from the specified delivery location within thirty (30) calendar days after issuance of the NTP.

6) Time for Acceptance of Delivery.

The Contractor is obligated to accept such delivery and remove the Obsolete Vessel from the specified delivery location within 3-5 calendar days after the vessel undocking and/or completion of the underwater hull cleaning. Provided further, however, that in the event the Contractor is delayed in accepting delivery beyond the specified time and the Contracting Officer is satisfied that such delay has been caused by conditions beyond the reasonable control of the Contractor and without its fault or negligence, then the Contracting Officer may grant the Contractor a written extension of time for accepting delivery for such period as in the judgment of the Contracting Officer shall be just, reasonable, and proper. Application for extension of time shall be filed in writing with the Contracting Officer not less than five (5) calendar days from the time delivery is otherwise required to be accepted, unless the Contracting Officer shall extend the time in writing for the filing of such application.

- a) Failure to Accept Delivery - Additional Damages – If the Contractor fails to commence towing the Obsolete Vessel from the specified delivery location within the required 14 calendar days after the vessel undocking and/or completion of the underwater hull cleaning as stipulated in the Contract, the Contractor shall reimburse MARAD for any and all costs incurred by MARAD in connection with the re-cleaning the Obsolete Vessel's underwater hull, and shall be responsible all costs incurred including but not limited to redocking, tug demurrage, and per diem expenses, etc.
- b) Failure to Accept Delivery – Additional Remedies. In addition, the Contracting Officer shall also have the right, upon giving ten (10) calendar days written notice to the Contractor (a) to store the Obsolete Vessel for the account and at the risk and expense of the Contractor, or (b) to award such Obsolete Vessel to the next best value upon such terms and conditions as the Government may deem proper.

7) Contractor's Liability for Damages to Government Property During Delivery. The Contractor shall be liable for any physical damage to the Government's property, and expenses incidental thereto, caused by and occurring during any part of the removal operations by the Contractor. The Contractor shall repair the damage, or have the damage repaired to the condition of the government property prior to the caused damage. Repairs shall be in accordance with accepted Marine practice and to the satisfaction of the Contracting Officer; or, the Contractor shall pay to the Government an amount of money sufficient to cover the entire cost of the damage and all expenses incident thereto, as determined by the Contracting Officer. The Contracting Officer shall have the sole and exclusive right to determine whether the Contractor will be allowed to repair the damage or pay the Government for such repairs as aforesaid.



A.1.h. SUCCESSORS AND ASSIGNS.

All the covenants, stipulations and agreements herein contained are and shall be binding upon the respective heirs, administrators, executors, successors and assigns, if any, of the Contractor, and the Government.

A.1.i.CONTRACTS BY MEMBERS OF CONGRESS

Whoever, being a member of or delegate to Congress, or a Resident Commissioner, either before or after he has qualified, directly or indirectly, himself, or by any other person in trust for him, or for his use or benefit, or on his account, undertakes, executes, holds, or enjoys, in whole or in part, any contract or agreement, made or entered into in behalf of the United States or any agency thereof, by any officer or person authorized to make contracts on its behalf, shall be fined under this title. The language in this provision shall not apply to this Contract if made with a corporation for its general benefit.

All Contracts or agreements made in violation of this section shall be void; and whenever any sum of money is advanced by the United States or any agency thereof, in consideration of any such Contract or agreement, it shall forthwith be repaid; and in case of failure or refusal to repay the same when demanded by the proper officer of the department or agency under whose authority such Contract or agreement shall have been made or entered into, suit shall at once be brought against the person so failing or refusing and his sureties for the recovery of the money so advanced.

A.1.j. COVENANT AGAINST CONTINGENT FEES.

The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this Contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this Contract without liability or, in its discretion, to deduct from the Contract price or consideration, or otherwise recover, the full amount of the contingent fee.

(a) “Bona fide agency,” as used in this clause, means an established commercial or selling agency, maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government Contracts nor holds itself out as being able to obtain any Government Contract or Contracts through improper influence.

(b) “Bona fide employee,” as used in this clause, means a person, employed by a Contractor and subject to the Contractor’s supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government Contracts nor holds out as being able to obtain any Government Contract or Contracts through improper influence.

(c) “Contingent fee,” as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government Contract.

(d) “Improper influence,” as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government Contract on any basis other than the merits of the matter.

## **A.2 STATEMENT OF WORK**

The following are the vessel characteristics, fleet and work requirements for the Obsolete Vessel awarded by this Contract:

VESSEL DESCRIPTION			
Name of Obsolete Vessel:			
Official No:		LOA:	
Hull Type:		Beam:	
Design:		Draft:	
Year Built:		Lt. Ship Displ.	
Ordinance Equipment:			
Fleet Location:			
Contractor Facility:			
Hull Cleaning:	[Specify Contractor or Government responsibility]		

The Contractor shall provide all personnel, insurance, equipment, tools, vehicles, labor, materials, facilities, supervision and any other items and services necessary to tow the Obsolete Vessel to its facility and to dispose of the ship in a manner which is safe for workers and the environment. The Contractor shall comply with all contractual requirements and applicable federal and state laws and regulations including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and

Health Act (OSHA), as well as international laws, treaties, conventions and agreements, as appropriate, is the responsibility of the Contractor.

The initial work to be performed on the Obsolete Vessel awarded is dependent upon the fleet or facility at which the Obsolete Vessel is stored. The Statement of Work sets forth the work required for each Obsolete Vessel.

A.2.a. TECHNICAL COMPLIANCE PLAN (TCP).

The Contractor shall, as part of this Contract, implement the submitted and MARAD accepted General Technical Proposal and the Technical Compliance Plan.<sup>21</sup> The Contractor shall at all times comply with the TCP in the performance of Obsolete Vessel disposal operations. The TCP shall serve as the baseline technical guidance document for the disposal of the Obsolete Vessel. All personnel provided by the Contractor to support the performance of the work defined in this Contract shall have appropriate training and/or, as required, certification. The Contractor shall use industry best practices and its MARAD accepted Technical Compliance Plan (TCP) to prepare and tow the ship to the Contractor's facility to dispose of the Obsolete Vessel in a timely and cost effective manner. The Contractor at all times shall comply with its approved TCP, and all applicable Federal, State and local laws.

1) Changes to the Technical Compliance Plan.

The Contractor shall not modify, alter, change, deviate from or subvert the TCP without first submitting in writing an update to the Contracting Officer for review and approval.

Contractor shall promptly submit modifications, changes or updates to the TCP in writing to the Contracting Officer and the COR. All modifications, changes, or updates to the TCP shall be prepared in accordance with the format provided in Part VI. Supporting Documents, Section A. Technical Compliance Plan Requirements. Until approved by the Contracting Officer in writing, the Contractor must continue to perform in accordance with the previously approved TCP.

2) Non-compliance with the TCP or Other Contract Provisions.

---

<sup>21</sup> Until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the Contractor’s approved GTP or TCP, the Contractor’s approved, “old GTP,” including TCP, shall be substituted. Once a facility’s new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

MARAD shall document the Contractor's deviation from or non-compliance with the government-approved TCP or other contract provisions by various means including, but not limited to, an informal email notice of a deficiency or a written quality deficiency notice (QDN) presented by MARAD to the Contractor requiring immediate cure of the deficiency to the satisfaction of the Government. The Contractor's failure to follow and or adhere to the requirements of the TCP and/or any other contract provision or to resolve any resulting deficiency notifications will be considered in MARAD's evaluation of the Contractor's performance under the Contract. That performance will be taken into consideration when evaluating past performance for future solicitations for sales or disposal service contracts and retention of the Contractor's status as a Qualified Facility. See PART I.

A.2.b. NOTICE TO PROCEED.

1) Official Notice to Proceed.

For BRF/JRRF vessels, MARAD will issue an official Notice to Proceed (NTP) once the Contractor has submitted the required deliverables listed below and MARAD has accepted such deliverables. For SBRF vessels, the NTP shall be issued once the mutually agreed to fleet departure date for dry-docking is established. For NISMF vessels, the NTP will be issued when the underwater hull-cleaning dates are confirmed by the Navy. MARAD may issue the NTP, or a contingent NTP authorizing the performance of certain tasks specified therein, so as to minimize the impact to the workload at the fleet with regard to vessel arrivals and departures and fleet maintenance activities.

- a) Workers Compensation, Including Longshoremen and Harbor Workers Act coverage.
- b) Employers Liability coverage.
- c) Comprehensive General Liability insurance coverage.
- d) Maritime Employers Liability (Jones Act) insurance coverage.
- e) Asbestos Abatement Liability Insurance coverage.
- f) Performance bond.

Failure to provide proof of the items listed above by the date specified in the Contract may result in a termination of this Contract for cause.

2) Contractor Bears All Risk Prior to Issuance of NTP.

The Contractor bears all risks and costs associated with performing work on the Obsolete Vessel at any time prior to the NTP issuance. MARAD will not be liable for any costs arising from Contractor performance prior to the issuance of the NTP for any reason including non-issuance of the NTP, and or termination of the Contract. Inspection by a Marine Surveyor for the purpose of developing the trip in tow survey will be the only activity allowed aboard the Obsolete Vessel prior to the issuance of the NTP. The Contractor shall submit a copy of the Marine Surveyors initial trip in tow recommendation report within 5 calendar days after the issuance of the NTP.

A.2.c. TOWING REQUIREMENTS.

1) Contractor Responsible for Towage.

The Contractor is responsible for acquiring all towing services, including but not limited to tugs, assist tugs, pilots, line handlers, Panama Canal requirements, as necessary to prepare, move/remove and tow the Obsolete Vessel from the JRRF, BRF, NISMF-PA and NISMF-HI facilities to their recycling facilities. For SBRF vessels the Contractor is responsible for the coordination of all activities related to the preparation of the Obsolete Vessel for inland and ocean towing including ballasting and trimming the Obsolete Vessel for dry-docking at a Shipyard TBD in San Francisco, CA, all Panama Canal transit requirements and towing of the Obsolete Vessel from the Shipyard (delivery location) to the Contractors' recycling facility.

The Contractor shall not use the existing Obsolete Vessel mooring lines for the tow or berthing of the Obsolete Vessel and for SBRF vessels shall ensure there are sufficient mooring lines on the Obsolete Vessel to safely secure the Obsolete Vessel in the wet berth at the Shipyard after un-docking.

The Shipyard shall be responsible for procuring the tugs, assist tugs, pilots, line handlers as necessary to remove the Obsolete Vessel from the SBRF and deliver it to their dry-dock and for undocking and shifting the Obsolete Vessel to the wet berth (delivery location) at their facility.

Additional information applicable to preparing the Obsolete Vessel for tow and for towing the Obsolete Vessel are set forth in **Part VI. Supporting Documents, Section B.**

**Contractor Tow Preparation Responsibilities at the NDRF and Section C. USCG**

**Towing Requirements**, and vary slightly based on the fleet location of the Obsolete Vessel.

The Contractor shall ensure that its employees and subcontractors comply at all times with all fleet rules, including, without limitation, the safety rules set forth in **Part VI. Supporting Documents, Section G. MARAD Fleet Safety Responsibilities.**

2) Selection of Tower

Whenever possible, towing contracts should be awarded to towing companies whose towing vessels are either: a) inspected by the United States Coast Guard, b) classed by a Coast Guard recognized Classification Society, or c) have a safety management certification from an industry-recognized certification program (such as that provided by International Standards Organization (ISO) 9000 series certification, or the American Waterways Operators (AWO) Responsible Carrier Program.) Where international tows are concerned, towing contracts shall be awarded to towing companies that comply with the International Safety Management (ISM) Code.

3) Contractor Responsible for Tow Preparations

The Buyer is responsible for arranging and bearing the expense for all of the required

Obsolete Vessel's tow preparations including but not limited to:

- a) Marine Surveyor. The Contractor is responsible for hiring a qualified Marine Surveyor to survey the Obsolete Vessel and provide requisite trip in tow preparations in accordance with applicable USCG requirements and accepted marine practice.
- b) Tow Recommendation. The Contractor shall submit a copy of the Marine Surveyors initial trip in tow recommendation report within 5 days after the issuance of the official notice to proceed "NTP".
- c) Ballasting and Trimming the Vessel. The Contractor is responsible for ballasting and trimming the Obsolete Vessel in accordance with the Shipyard requirements to accomplish a safe docking and undocking of the Obsolete Vessel.
- d) Panama Canal Requirements. The Contractor shall prepare the Obsolete Vessel for safe transit of the Panama Canal in accordance with all Canal Authority requirements.
- e) Contractor's Insurance Underwriting Company surveyor. The hiring of the Contractor's Insurance Underwriting Company surveyor to accomplish the Insurance Company surveys related to insuring the Obsolete Vessel for tow. The Contractor will coordinate all surveys and resulting tow preparation efforts so as to minimize the impact upon any Fleet operations and support required. Obsolete Vessel tow preparations shall begin only after all required surveys have been accomplished and one final listing of tow preparations has been published and the required meeting with the Fleet Program Manager has taken place.
- f) Emergency Oil Spill response plan. The Contractor shall be responsible for having an Emergency Oil Spill response plan or obtain the services of a Spill Management Company (SMC) for all phases of the towing evolution. This plan shall have available, during all the Obsolete Vessel towing operations, a Qualified Individual (QI) who shall be available 24 hours a day, 7 days a week to act on the Contractor's behalf to provide contingency planning and organized response in case of an oil spill during tow operations. The Contractor shall provide the COR the name of the SMC and the QI not later than 10 days after the contract start date.. The Contractor's responsibility will start the moment the Contractor's tugs accept and have operational control of the Obsolete Vessel for tow. In addition, the Contractor shall submit not later than 10 days after the contract start date the completed MARAD form "MARAD Dead Ship Oil Contingency Plan Emergency Contact Notification List." The MARAD COR shall make the MARAD form available to the Contractor on the Contract award.

4) Coast Guard (USCG) Towing and Transfer Requirements

- a) The Contractor is responsible for ensuring all United States Coast Guard (USCG) towing and transfer requirements including, but not limited to, towing preparations, (both inland and ocean going), notifications, inspections, insurance, emergency response and procedures are met for the Obsolete Vessel upon departure from the Fleet and for the departure of the Obsolete Vessel from the Shipyard.
- b) For informational purposes, known USCG towing requirements that may be in force for the towing of the Obsolete Vessel are posted in **Part VI. Supporting Documents, Section C. USCG Towing Requirements**, The Buyer remains responsible for

compliance with any and all applicable USCG towing requirements.

5) Coordination.

The Contractor shall actively manage and perform daily coordination in the form of teleconferences and/or Situation reports (SITREPS) between the Contractor, the Shipyard, and MARAD officials as required until the Obsolete Vessel is on its way via ocean tow to the Contractor's recycling facility or Shipyard. The Contractor shall be prepared to conduct that coordination necessary or as determined by MARAD, to successfully accomplish the towing of the Obsolete Vessel to the recycling facility.

6) Towing Plans/Surveys.

Towing plans and submittals must be in compliance with all applicable United States Federal requirements. The Contractor is responsible to ensure all tow surveys, insurance surveys, and any other inspections have commenced not later than 5 days after the contract start date so as to not delay the towing of the Obsolete Vessel or impact the operations of the Fleet.

7) Meeting with Fleet Program Manager.

The Contractor is required to meet with the Fleet Program Manager upon completion of all required surveys and inspections to discuss actions and plans resulting from surveys and inspections.

8) Liquid Loading Plan.

The Contractor shall provide a liquid loading plan that will cover the methodology to safely transfer any liquids on board the Obsolete Vessel and or ballasting the Obsolete Vessel to the required trim and stability resulting from an authorized Marine Surveyor's trip in tow survey or Shipyard dry-docking requirement. The liquid loading plan and the trip in tow survey shall be submitted to the COR, with a copy to the Fleet Program Manager, prior to commencement of the transfer of liquids on the Obsolete Vessel and or ballasting of the Obsolete Vessel for trim and stability. The liquid loading plan shall address all aspects of liquid transfer on board the Obsolete Vessel and or ballasting the Obsolete Vessel, in detail, including electrical power requirements, pumps, tank opening and closing plan, liquid transfer plan and emergency response actions. The liquid loading plan must be compliant with the trip in tow survey and/or Shipyard dry-docking requirement and shall include the appropriate safety requirements necessary to secure the Obsolete Vessel at the end of each work shift. The transfer of all liquids on board the Obsolete Vessel, regardless of the source and the destination, shall be part of the liquid loading plan. Under no circumstances will liquids be discharged overboard from the Obsolete Vessel without first consulting with the Fleet Program Manager and obtaining all required approvals.

9) Inspection of the Vessels' Hull in Dry-dock.

For SBRF vessels the Contractor shall make available their Marine Surveyor to participate in a joint vessel hull inspection and survey with the MARAD COR and the Shipyard project manager within 4 hours after the completion of the underwater hull cleaning. The joint inspection and survey shall be conducted during daylight hours for the purpose of identifying any areas of concern by attending parties on the underwater hull that may require repair prior to undocking. The Contractor will submit a written post dry-dock Hull Inspection Report, 4 hours after completion of the inspection, detailing the recommended repairs and hull blanks identified during the course of the inspection.

10) Government Delivery of the SBRF Vessel for Towing.

The Government shall deliver to the Contractor or its agent the Obsolete Vessel "AS IS WHERE IS" afloat and free of moorings at the Shipyard upon completion of the undocking of the Obsolete Vessel and delivery by the Contractor of the USCG Light Load Line Certificate.

11) Government Delivery of the JRRF, BRF, NISMF Vessel for Towing.

The Government shall deliver to the Contractor or its agent the Obsolete Vessel "AS IS WHERE IS" afloat and free of moorings at the Fleet upon completion of all in water hull cleaning work delivery by the Contractor of the USCG Light Load Line Certificate.

12) Vessel General Permit.

The Contractor is responsible for ensuring that the Obsolete Vessel is and remains in compliance with the National Pollution Discharge Elimination System (NPDES), Vessel General Permit, during the vessel towing evolution to the Contractor's facility. The Contractor shall comply with all inspections, record keeping and reporting requirements under the NPDES Vessel General Permit, with the exception of filing the Notices of Intent and Termination, which will be filed by MARAD. More details are provided in **Part VI. Supporting Documents, Section C. USCG Towing Requirements.**

13) Towing Delays/Service Disruption.

If after acquiring tug service to move the Obsolete Vessel from the specified delivery location or at any time during the transit of the Obsolete Vessel from the delivery location to the Contractor's facility the tug towing the Obsolete Vessel is taken out of service for more than three consecutive calendar days the Contractor shall contract for additional towing services to continue to transit the Obsolete Vessel to the Contractor's facility. Any additional cost for procurement of other towing assets shall be at the expense of the Contractor. The Contractor shall immediately notify the COR of the actions taken to minimize disruption of the transit of the Obsolete Vessel.

14) Daily Tug/Tow Situation Report.

The Contractor shall provide the COR, a daily situation report, due to the COR not later than 10:00am (Washington, DC local time), for each tow that will identify the date, report time,



location of the tow (Latitude and Longitude), current and forecasted weather and sea conditions, estimated time of arrival, a brief description of the tow situation and proposed action in the face of inclement weather. In addition, once the Contractor acquires tug service to tow the obsolete vessel the Contractor shall provide the COR a daily tug situation report, due to the COR not later than 10:00am (Washington, DC local time), identifying the date, report time, location of the tug (Latitude and Longitude), current and forecasted weather and sea conditions, estimated time of arrival at the pick-up location, a brief description of the transit situation and proposed action in the face of mechanical failure or inclement weather.

15) Afloat Monitoring Plan.

Upon arrival at the Contractor's dismantlement facility the Obsolete Vessel will be safely moored and continuously monitored by the Buyer while afloat and prior to being moored in the dismantling slip and during the dismantling process if the Obsolete Vessel remains afloat. The safe mooring of the Obsolete Vessel shall include:

- a) provisions for heavy weather protection and containment equipment in the event of oil discharging from the Obsolete Vessel;
- b) local and remote audible and visual alarms in the event of flooding and on-site security watches to monitor for oil discharges, mooring security and Obsolete Vessel trim and stability; and
- c) the Contractor shall provide to the COTR an Obsolete Vessel Afloat Monitoring Plan that addresses details of the above requirements including discharge, flooding and mooring response plans. The Plan must be comprehensive enough to provide summary information encompassing systematic mooring/monitoring operation for Obsolete Vessel being dismantled. Each Obsolete Vessel shall have an individual afloat monitoring plan that shall be incorporated into the master Obsolete Vessel Afloat Monitoring plan. The Obsolete Vessel Afloat Monitoring Plan shall be submitted to the COR within 10 days after contract award but no later than 3 days prior to the departure of the Obsolete Vessel from the fleet location.

A.2.d. HULL CLEANING REQUIREMENTS.

The National Invasive Species Act (“NISA”) requires entities to mitigate the transmission of non-indigenous aquatic species. 16 U.S.C. § 4701, et seq. Consistent with the NISA obligation to mitigate the transmission of non-indigenous aquatic species, the aquatic hull fouling from the underwater surfaces of the Obsolete Vessel must be removed prior to such Obsolete Vessel’s departure from the bio-geographic area in which it is located. The Ship-Specific announcement will inform offerors whether the awardee will be responsible for In-Water Hull Cleaning or whether the Government will be responsible for hull cleaning.

1) In-Water Hull Cleaning by Contractor - BRF/JRRF Vessels

When required by the Contract, except for an Obsolete Vessel transiting to a qualified facility within the same bio-geographical area (as determined by the USCG), the Contractor shall

procure the services of a MARAD qualified hull cleaning contractor utilizing an approved containment process and clean the hulls of Obsolete Vessels in accordance with the USCG Interim Criteria for Cleaning Hulls of MARAD Vessels Prior to Relocation, dated 27 June 2006<sup>22</sup> ("USCG Interim Criteria"), prior to their departure from that bio-geographic area. The underwater cleaning process should remove as much of the accumulated biological fouling as possible. However, given the unknown condition of the hulls of some of the obsolete MARAD vessels slated for disposal, and the need to minimize the release of paint/coating residues, it is recognized that the cleaning operation will not remove all of the "hard" fouling.

- a) The Contractor is responsible for determining sufficient water depth and access to the underwater portion of the Obsolete Vessel for the accomplishment of the in-water cleaning with containment. The Contractor is responsible for re-locating the Obsolete Vessel within the fleet, if necessary, to accomplish the in-water hull cleaning and shall coordinate with the Fleet Superintendent for any movement of the Obsolete Vessel. The Contractor shall accomplish the in-water hull cleaning of the Obsolete Vessel in accordance with the USCG Interim Criteria to include the flat bottom, appendages, accessible openings, struts, shafts, propellers and rudders, of biological fouling prior to the Obsolete Vessel's relocation and/or removal from the applicable fleet site. The Contractor shall coordinate the in-water hull cleaning of the Obsolete Vessel with all tow preparations for the Obsolete Vessel's departure so that the Obsolete Vessel departs from the applicable fleet sites within 3-5 calendar days after the completion of the in-water hull cleaning. The Obsolete Vessel must depart the fleet not later than 14 calendar days after completion of the in-water hull cleaning. If the Contractor fails to remove the Obsolete Vessel within 14 calendar days after the completion of the in-water hull cleaning, the Contractor shall be required to re-clean the Obsolete Vessel. The Contractor shall be responsible for all actual costs associated with having to re-clean the Obsolete Vessel's underwater hull including but not limited to the hull cleaning, reporting, tug demurrage, travel and per diem.
- b) Underwater Hull cleaning process for BRF/JRRF Vessels  
The underwater hull cleaning process shall follow the DEFINED ACTIONS of paragraph 2.2 in the USCG Interim Criteria and consist of the following actions:
  - i. Procurement of services from a MARAD qualified underwater hull cleaning company.
  - ii. The taking of underwater hull still image photography prior to the commencement of the hull cleaning process.
  - iii. In water hull cleaning shall be coupled with a containment process that minimizes the discharge of bio-fouling and paint debris from the Obsolete Vessel's hull during the cleaning process.

---

<sup>22</sup> See **Part VI. Supporting Documents, Section E. USCG Interim Criteria for Cleaning Hulls on MARAD Vessels Prior to Relocation.**

- iv. Post hull cleaning underwater hull still image photography for comparative analysis.
  - v. Inspection and Cleaning Report, signed by the lead diver representative, three separate copies to MARAD, to include:
    - (a) Pre and post-cleaning inspection reports signed by the lead diver.
    - (b) Concise technical description of cleaning operations performed.
    - (c) Copies of Daily Dive Team logs signed by the lead diver.
    - (d) Copies of all pre and post hull cleaning still image photography.
- c) Use of a Qualified Contractor – BRF/JRRF Vessels
- The Contractor shall utilize the Maritime Administration qualified contractors Underwater Services International, Inc. (USI) or C&W Diving Services, Inc. (CWD) to conduct the in water hull cleaning with an approved containment process on the Obsolete Vessel prior to the departure from the BRF and JRRF sites. No other contractor at this time is acceptable to the Maritime Administration for the performance of in water hull cleaning with containment. USI contact information is as follows: Mr. Wendell Swilley, 866-373-6301 (tel) or 866-373-8855 (fax); or on the web at [www.hullcleaning.com](http://www.hullcleaning.com). CWD contact information is as follows: Mr. Aaron Everett, 619-474-2700 (tel) or 619-477-2700 (fax); or on the web at [www.cwdiving.com](http://www.cwdiving.com).
- 2) Hull Cleaning by the Government in Dry-Dock – SBRF Vessels
- For vessels departing the SBRF, in addition to the normal tow preparation, towing, and disposal required under the referenced solicitation, SBRF vessels departing the San Francisco Bay area for disposal outside of the San Francisco area will have underwater fouling and exfoliating paint removed in a dry-dock facility ("Shipyard") in the San Francisco Bay area prior to commencement of the ocean tow. The Shipyard is a commercial entity and as such MARAD does not control the availability of dry-docks for the docking of the Obsolete Vessel. MARAD will coordinate with the Contractor to ensure adequate time for the Contractor to secure towing assets prior to finalizing the dry-dock availability for the Obsolete Vessel. MARAD will provide the docking and un-docking dates to the Contractor as soon as they are obtained from the Shipyard.
- a) The Contractor is responsible for coordinating the departure of the Obsolete Vessel from Shipyard within 3-5 calendar days from the undocking of the Obsolete Vessel. Failure of the Contractor to remove the Obsolete Vessel not later than 14 calendar days after the Obsolete Vessel is removed from dry-dock shall require the Obsolete Vessel to be docked and re-cleaned. The Contractor shall be responsible for all actual costs associated with having to re-clean the Obsolete Vessel's underwater hull including but not limited to the hull cleaning, reporting, tug demurrage, travel and per diem.
  - b) Joint Inspection. The Contractor shall participate in a joint hull inspection with the Government and the Shipyard within four (4) hours after the completion of the underwater hull cleaning during daylight hours only. The purpose of the joint inspection

is to identify potential ship condition issues applicable to towing the Obsolete Vessel which could adversely influence subsequent work tasks, and may require repair prior to the undocking of the Obsolete Vessel.

- i. Inspection Report. The Contractor shall provide a written post-hull inspection report not later than 6 hours after completion of the inspection, detailing the recommended repairs and hull blanks identified during the course of the inspection.

3) In-Water Hull Cleaning by Navy – NISMF Vessels

For vessels departing from the Naval Inactive Ship Maintenance Facilities in Philadelphia, PA (NISMF-PA) and Pearl Harbor, HI (NISMF – HI) the Contractor is NOT responsible for accomplishing and bearing the expense for the required vessel in-water hull cleaning and reporting requirements including but not limited to those activities required to be completed before the tow of the Obsolete Vessel to the Contractor’s facility. The Navy will contract for and complete the underwater hull cleaning of vessels at NISMF-PA & HI prior to its departure for disposal. The Contractor is responsible for coordinating all activities that directly affect the departure of the Obsolete Vessel from the NISMF-PA and NISMF–HI sites within 3-5 calendar days after the completion of the underwater hull cleaning. Failure of the Contractor to remove the Obsolete Vessel not later than required 14 calendar days after the completion of the in-water hull cleaning shall require the Obsolete vessel to be re-cleaned. The Contractor shall be responsible for all actual costs associated with having to re-clean the Obsolete Vessel’s underwater hull including but not limited to the hull cleaning, reporting, tug demurrage, travel and per diem.

4) USCG Reporting

MARAD will coordinate with the United States Coast Guard and submit the appropriate vessel hull cleaning documentation to the USCG Captain of the Port prior to the departure of the Obsolete Vessel from the specified delivery location.

A.2.e. ENVIRONMENTAL COMPLIANCE.

1) Contractor Is Responsible for Complying With all Laws.

The Contractor hereby acknowledges and accepts responsibility for strict adherence to all applicable federal, state, and local laws, statutes, ordinances, rules, regulations and orders relating to the environmental laws (hereinafter “applicable laws”), during towing and the disposal of the Obsolete Vessel received from the Government under this Contract. The Contractor is cautioned that it is solely responsible to ascertain the extent to which applicable laws may affect it and comply therewith. The Contractor also hereby acknowledges and accepts responsibility for steps that must be taken to insure financial responsibility for any and all discharges of oil occurring after delivery of the Obsolete Vessel as required by 33 C.F.R. Part 138 administered by the United States Coast Guard.

2) Regulated Hazardous Materials.

The Environmental Protection Agency (EPA) has determined that a large number of normal ships operational or maintenance materials (including but not limited to paints, lubricants, solvents, detergents, etc.) may be hazardous. Unless specifically stated otherwise, the term "hazardous materials" as used in this Contract refers to any hazardous or toxic materials, hazardous or toxic substances, hazardous or toxic chemicals, hazardous, toxic or solid waste, or petroleum and petroleum products as defined in any applicable laws. The Contractor shall provide copies of all hazardous material manifests to the Contracting Officer or designee. The Contractor accepts responsibility for proper handling of regulated hazardous materials in compliance with applicable laws.

3) Generator Duties.

The Contractor expressly (a) acknowledges its duty to comply with applicable laws, including but not limited to The Toxic Substances Control Act, as amended (15 U.S.C. § 2601 et seq.), and the implementing regulations; and (b) agrees that it will perform all required duties, including those of the generator of hazardous materials removed from the Obsolete Vessel. In accordance with applicable laws, including 40 C.F.R. Part 761, the Contractor expressly agrees that it will obtain an EPA identification number; arrange for all regulated material to be transported to an approved treatment, storage or disposal facility; perform all communication and record keeping tasks; and, prepare, sign and return all requisite copies of all manifests and provide copies of such documents to MARAD. In accordance with applicable laws, including 40 C.F.R. Part 761, the Contractor expressly agrees that it will obtain an EPA identification number; arrange for all regulated material to be transported to an approved treatment, storage or disposal facility; perform all communication and record keeping tasks; and, prepare, sign and return all requisite copies of all manifests and provide copies of such documents to MARAD. The Contractor agrees that items or components remaining on board the Obsolete Vessel may be regulated in the locality where the Obsolete Vessel will be berthed during performance of this Contract, and the Contractor is solely responsible for ascertaining the extent to which regulations of said locality effect it and for compliance therewith.

4) Asbestos.

The Contractor hereby acknowledges and accepts responsibility for asbestos found on the Obsolete Vessel, including but not limited to pipes, ducts, boilers, tanks, reactors, turbines, furnaces, structural members, etc., or in holds or compartments of the Obsolete Vessel sold under this Contract. The Contractor shall provide the COR with copies of all manifests for the transport, storage and disposal of asbestos. Federal standards for handling and for the removal of asbestos from Obsolete Vessel within the United States are prescribed at 40 C.F.R. Part 61, Subpart M.

5) Polychlorinated Biphenyls (PCBs).

The Contractor hereby acknowledges and accepts responsibility for PCBs found on the Obsolete Vessel sold under this Contract. The Contractor shall provide the COR with copies

of all manifests for the transport, storage and disposal of PCB's. Federal standards for handling and disposal of PCBs from the Obsolete Vessel within the United States are at 40 C.F.R. Part 761. The Contractor is advised to contact the cognizant EPA office for explicit details. The Contractor hereby acknowledges and accepts sole responsibility for the handling and disposing of all items containing PCBs regulated under all applicable laws.

6) Notification of Export

It is unlawful to export Polychlorinated Biphenyls (PCBs) and other regulated hazardous materials from the United States of America. The Contractor is required to notify the Contracting Officer in writing of the intent to export any materials and /or equipment resulting from the Obsolete Vessel disposal efforts. Any and all exporting of materials and/or equipment resulting from this Contract must meet all International, Federal, State, and Local laws and regulations. Proper documentation is required for the export of any and all recyclable materials resulting from this Contract prior to commencement of export.

A.2.f. NO OBSTRUCTION TO NAVIGATION

Neither the Obsolete Vessel, nor any parts thereof, shall be permitted to become a menace or obstruction to navigation either while being moved or while being disposed of as aforesaid; and, in the event that the Obsolete Vessel, or any parts thereof, shall at any time become a menace or obstruction to navigation, the Contractor shall, at its own cost and expense, remove the same forthwith, and upon its failure to do so, the Contracting Officer may, through any agent or agencies designated, remove said menace or obstruction at the cost and expense of the Contractor and/or its Surety, but no obligation shall be imposed upon MARAD to remove same.

A.2.g. DISPOSITION OF SCRAP.

With respect to the material resulting from the disposal of the Obsolete Vessel and any items removed from the Obsolete Vessel for reuse, such as engines, machinery and equipment, the Contractor agrees to the following:

- 1) Electric Cables. Electric cables shall not be exported to be stripped of their recyclable metal content.
- 2) Export Controls. That Contractor agrees that all sales of scrap or any materials removed from Obsolete Vessel shall be in compliance with U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799.
- 3) Import Back into the U.S. In the event that any items removed from the Obsolete Vessel are exported from the United States for reuse, such as engines, machinery and equipment, the items shall not be imported back into the United States of America, unless the Secretary of Commerce determines that importation of such property, or any items thereof, would relieve

domestic shortages or otherwise be beneficial to the economy of the United States, and the sale is made expressly subject to this condition. Application for such determination should be submitted to the Foreign Excess Property Officer, Statutory Import Programs Staff, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230.

A.2.h. DISCLAIMERS AND POTENTIAL HEALTH HAZARDS.

1) Asbestos, PCBs and Other Regulated Materials.

The Contractor is responsible for the asbestos, the PCBs and the other regulated materials in the Obsolete Vessel that are considered health hazards and particular care must be taken in handling and disposing of such material.

2) Health, Safety and Welfare of Ship breakers.

The Contractor hereby agrees and affirms its responsibility to assure safe and healthful conditions for all its employees engaged in each phase of the disposal operation. This includes, but is not limited to, the provision of appropriate personal protective equipment, the proactive elimination of occupational chemical, mineral, electrical, mechanical, and other material hazards, and the institution of prompt, pervasive engineering controls, proper education and training, and effective supervisory procedures in keeping with the requirements of the Occupational Safety and Health Act of 1970, including any provisions of such standards that may be made after the date of this Contract and specifically the relevant standards of 29 C.F.R. Part 1910, 29 C.F.R. 1915, 29 C.F.R. 1917, 29 C.F.R. 1918, 29 C.F.R. 1919, as well as all other laws, statutes, rules, ordinances, regulations and orders with respect to safety and health with respect to actions occurring within and without the United States.

3) Contractor Responsible for Disposal of Radioactive Materials.

The Contractor is responsible for items which may be capable of emitting ionizing radiation in varying degrees; such as, switches, circuit breakers, knobs, controls, pointers, instruments, dials, electron tubes, markers, etc., aboard the Obsolete Vessel.

4) Guano Hazard.

The Contractor further acknowledges and accepts responsibility for the presence of sea gull, pigeon and other bird droppings aboard the Obsolete Vessel as such droppings may create an unsanitary condition. As a safety precaution, the Contractor is advised that all personnel working in areas of the Obsolete Vessel where such droppings are present should wear appropriate protective equipment.

5) No Government Liability.

The Government does not assume any liability for damage to the property of the Contractor or for personal injuries, disabilities, or death to the Contractor or the Contractor's employees or to any other person arising from, or incident to, the sale of the Obsolete Vessel pursuant to this Contract and/or any material aboard such Obsolete Vessel, or to its use or disposition.

As a safety precaution, the Contractor should also warn any future possessor of the Obsolete Vessel of the potential health hazards referred to above.

A.2.i. INCIDENT REPORTING.

The Contractor must provide verbal or e-mail notification to the COR within two (2) hours of and written notification within 24 hours of any incident involving injuries to personnel, spills, fires, explosions, damage to property, or harm to the environment or any other significant incidents which may arise from other performance aspects under this Contract. The Contractor shall, within one week of receipt, provide copies of any notices of violation, citation, or other documentation relating to Federal, state or local administrative or legal action against the Contractor regarding actions arising under or relating to this Contract.

A.2.j. DEMILITARIZATION OF ORDNANCE EQUIPMENT.

1) Demilitarization.

The Contractor shall, at its own expense, demilitarize Ordnance Equipment (Military Equipment) aboard the Obsolete Vessel as described in the Contract, and any other property classified as Ordnance Equipment (Military Equipment) not specifically designated but which requires demilitarization, not later than the end of the Contract Period of Performance.

2) Place of Demilitarization.

The Contractor agrees that such demilitarization will be accomplished within the United States of America. Prior to demilitarization, the Contractor shall notify the Contracting Officer in writing of the location at which the demilitarization operation will be performed.

3) Ordnance Equipment.

With respect to Ordnance Equipment (Military Equipment), the key points to be demilitarized are: all tubes and gun barrels, launching rails, receivers, breech blocks, breech rigs, trunnion blocks, firing mechanisms, equilibrators and recoil mechanisms, as applicable.

4) Manner of Demilitarization.

The Contractor shall accomplish demilitarization of Ordnance Equipment (Military Equipment) in the following manner:

- a) Artillery tubes and gun barrels will be cut in two at a point approximately one third tube length from the breech face of the tube.
- b) Mortar tubes and rocket launchers, including launching rails, will be cut, crushed or broken to render them non-reclaimable.
- c) Receivers, trunnion block bodies or frames, breech blocks and firing mechanisms, as applicable, will be cut, battered or crushed to render them non-reclaimable.
- d) Breech rings will be cut into two or more pieces.

5) Demilitarization of equilibrators and recoil mechanisms.



Demilitarization of equilibrators and recoil mechanisms must be accomplished by technically qualified personnel only.

6) Demilitarization Report.

Upon completion of the required demilitarization, if any, the resultant material shall be retained by the Contractor as Ordnance scrap. The Contractor agrees to furnish the Contracting Officer a certificate, in a form satisfactory to the Contracting Officer, indicating that the Ordnance Equipment covered in this Contract has in fact been demilitarized by the Contractor in accordance with the terms hereof. The Government reserves the right, upon inspection, to require the Contractor to perform additional mutilation of the demilitarized items, as deemed necessary, by its own personnel, or otherwise, at no additional cost to the Government.

7) Failure to Demilitarize.

In the event the Contractor shall fail, neglect or refuse to demilitarize the Ordnance Equipment described in the Contract in the manner and to the extent herein required, the Government, upon a ten (10) calendar day written notice of default to the Contractor (calculated from date of mailing), shall have the right to enter the premises of the Contractor and, either with its own personnel or by contract personnel, complete demilitarization of the aforesaid Ordnance Equipment. In the event the Government exercises this option, the Contractor shall be liable to the Government for all direct and indirect costs incurred in the completion of the demilitarization and, in no event, will any part of the purchase price of the Obsolete Vessel be refunded to the Contractor by reason of the exercise of this option.

### **A.3 PERFORMANCE AND PERFORMANCE MONITORING**

#### **A.3.a. PERIOD OF PERFORMANCE.**

The Contract Period of Performance is \_\_\_\_\_ calendar days.

The Contract Period of Performance begins on the date specified below:

- 1) for NISMF vessels, from the calendar day after the completion of the underwater hull cleaning of the Obsolete Vessel;
- 2) for JRRF/BRF vessels, from the contract award date or contract start date (which is later);  
and
- 3) for SBRF vessels from the calendar day after undocking at the Shipyard

All work required under this Contract shall be completed within the Contract Period of Performance unless a written time extension to the Contract Period of Performance is authorized by the Contracting Officer.

A.3.b. PERFORMANCE SCHEDULES AND MILESTONES.

1) Integrated Performance Schedule.

The Contractor shall prepare an integrated performance schedule (Performance Schedule), which incorporates all project information, requirements and reporting related to the disposal of the Obsolete Vessel. The Performance Schedule shall include schedule information for all other awarded MARAD, Navy and commercial work in process and expected to be in process during the Contract Period of Performance for the Obsolete Vessel. For other identified dismantling and recycling work in process included in the Performance Schedule the minimum scheduling information shall include vessel arrival date, placement in the slip, removal of the last piece from the slip and completion date. For the Obsolete Vessel, the Performance Schedule shall be consistent with all Contract requirements. Seasonal weather patterns and conditions shall be considered and included in the planning and scheduling of all work to ensure completion of the total work package within the Contract Period of Performance. Seasonal weather patterns and conditions shall be determined by assessment of average historical climatic conditions based upon the preceding ten (10) year records published by the National Oceanic and Atmospheric Administration (NOAA) for the locality nearest to the Contractor's facility. The Obsolete Vessel's Performance Schedule will address all tasks required for the disposal of the Obsolete Vessel including but not limited to:

- a) All work identified under the Technical Compliance Plan.
- b) Performance Schedule Milestones.
- c) Contract Deliverables.
- d) Preparation and towing of the Obsolete Vessel.
- e) Subcontracted work and activities.
- f) Acquiring of appropriate bonding and insurance.
- g) Arrival survey and tank sounding verification.
- h) Identification, sampling, and remediation of hazardous materials.
- i) Ship dismantling and recycling.
- j) Submission of required reports.
- k) Surveys and Inspections.

2) Establishment of the Baseline Performance Schedule.

The Contractor shall prepare and submit to the Contracting Officer a Performance Schedule within seven (7) calendar days after the Contract start date. The Contractor shall include a narrative report addressing all constraints to the Obsolete Vessel performance schedule incurred as a direct result of all other dismantling and recycling work in the Contractor's facility. Upon acceptance of this Performance Schedule by the Contracting Officer this shall become the Baseline Performance Schedule. The Contractor shall manage the project to the accepted Baseline Performance Schedule which shall not be altered or changed during the Contract Period of Performance unless agreed to by the Contracting Officer. This Baseline Performance Schedule shall be used for the development of the required reports, progressing methodology, and variance analyses.

3) Other Requirements.

The Baseline Performance Schedule shall include planned start and completion dates and durations for each work activity inclusive of the disposal process. The Contractor shall identify all project and individual Obsolete Vessel work activities on the critical path. Then Obsolete Vessel performance schedule shall be linked at the activity level where necessary to the degree that any schedule impact to the Baseline Performance Schedule can be readily evaluated for the downstream effect on the critical path and the overall contract completion date.

4) Reporting Requirements.

The Performance Schedule submitted with the bi-weekly, shall be updated to coincide with the bi-weekly reporting requirements and shall at all times be maintained in an accurate and updated condition to support the actual physical progress of the disposal of the Obsolete Vessel.

5) Performance Schedule Components.

The Performance Schedule shall be comprised of:

- a) Critical Path Method. A time-sequenced Critical Path Method (CPM) generated Gantt chart that contains the following:
  - Scheduled key project events, milestones and items as listed above.
  - Critical Path and Controlling Work Activities for the overall project and the Obsolete Vessel shall be clearly indicated with interdependent relationships to other critical path tasks clearly identified.
  - Scheduled start and completion dates and durations for each work activity.
  - The Baseline Performance Schedule shall be retained and progress shall be shown on the current Performance Schedule as progressed activities with the physical percentage of completion and shall include a comparison to the Baseline Performance Schedule.
- b) Activity duration. Activity durations shall be in calendar days unless otherwise permitted by the COR. Identify all planned holidays and other periods of shutdown.
- c) Completion dates. Activities shall include actual start and completion dates, the remaining duration, the percentage of physical work complete. This percentage will be used to calculate the "earned value" progress for each activity. For the measure of percentage complete, standardized percentages may be used for each step of routine evolutions, however, separate activities for each specified step shall appear as a schedule activity.

- d) Sequence and interdependence. Linked items and activities shall be used to show the sequence and interdependence of the items and activities and the effects thereof, including Work Items that interrelate with Controlling Work Items that are on the Critical Path.
- e) Realism. All Performance Schedules prepared by the Contractor must be realistic and cannot contain logic that has been overridden (and thus not identified) by time, sequence, or resource constraints. If constraints exist, the Contractor shall identify them by type of constraint.
- f) Gantt chart. The following data shall also be included in tabular format with the Gantt chart for each activity of Critical Path activities:
  - Baseline start date.
  - Baseline end date
  - Baseline duration in calendar days.
  - Remaining duration in calendar days.
  - Percent (%) complete.
  - Total slack.
  - Revised start date.
  - Revised finish date.
  - Revised duration
  - Actual start date.
  - Actual finish date.
  - Actual duration.
- g) Schedule progress. The Contractor shall progress each activity in the current Performance Schedule for the actual start and completion dates as well as the percentage complete of actual physical progress achieved.
- h) Earned Value. Earned value shall be utilized as the method for measuring the Contractor's actual physical performance during the disposal of the Obsolete Vessel. The earned value analysis will compare the amount of actual work accomplished (earned) against the planned work (baseline) to determine if the Contractor is ahead or behind schedule at the bi-weekly report date in the disposal of the Obsolete Vessel. The earned value will be utilized to analyze the risk of completion of the disposal of the Obsolete Vessel by the Contract Period of Performance. The end date of the submitted bi-weekly report shall be the status date for the purpose of calculating the project earned value. At the status date the project's overall earned value will be calculated to determine the Contractor's actual physical progress compared against the project's baseline. The earned value for each activity shall be calculated by multiplying the percent complete by the activity duration for that activity. The earned value for each activity shall be summed to derive the overall project earned value which will be reported as a percentage.

- i) Performance Schedule Impact Analysis. Performance Schedule Impact Analysis shall be provided, in a narrative format, for all changes that affect the Baseline Performance Schedule. Any changes and events which the Contractor does not indicate in the current Performance Schedule and Performance Schedule Impact Analysis are assumed to have no effect on the Baseline Performance Schedule.
  - i. The Contractor shall provide ongoing current Performance Schedule analysis by comparing actual progress to planned progress as identified by the Baseline Performance Schedule and shall report in the bi-weekly report the percentage ahead or slippage of the to date progress.
  - ii. The Performance Schedule Impact Analysis shall demonstrate how the Contractor proposes to incorporate the changes into the current Performance Schedule and shall explain the effect, if any, on milestone accomplishment, Critical Path, current Performance Schedule logic, resources, and costs and completion date.
  - iii. Failure by the Contractor to include any element of work required for performance of the Contract shall not excuse the Contractor from completing all work within the Contract Period of Performance and/or in accordance with any Contract-required Milestone Date(s).
- j) Recovery Plan. If slippage has occurred from Contractor's Baseline Performance Schedule, the Contractor must provide a recovery Performance Schedule with an analysis, in narrative format, of the slippage that identifies the cause and propose a corrective plan of action that will be taken to complete the remaining work within the Contract Period of Performance.
- k) Late Completion Notification. If at any time, the updated Critical Path of the current Performance Schedule indicates a late delivery or late completion date, the Contractor shall notify the Contracting Officer and the COR in writing the next working day, and/or prior to the beginning of any period when no work will occur, such as a holiday period. This notification shall include identification of the problem and shall propose corrective actions for schedule recovery. NOTE: The Contractor's inclusion of various schedule impacts in its current Performance Schedule does not change the Contract Period of Performance unless the Contracting Officer authorizes an extension.
- l) All reports shall be delivered to the COR. Status reports shall be prepared bi-weekly and submitted one (1) calendar day prior to the next scheduled progress meeting, to reflect the addition, deletion, or modification of Work Items, and changes made by the Contractor. All reports are to be copied onto a CD-ROMs and two copies delivered to the COR.
- m) Subcontractor's work/progress. The Contractor shall manage and schedule all

subcontractor production work/progress, material procurement, and interface control to support the overall current Performance Schedule. The Contractor shall also provide and maintain a subcontractor listing on file beginning within three (3) calendar days after award of Contract. A revised list is to be updated whenever changes occur to the list. The subcontractor list shall include the subcontractor's business address, telephone number and point of contact as well as all work item(s) and scheduled activity(s) numbers and a brief description of the specific work to be accomplished.

- n) Scheduling data files format. All scheduling data files shall be compatible with and readable by MS Project 2010.

6) Performance Schedule Milestones.

The Contractor shall incorporate into the integrated Baseline Performance Schedule the major Performance Schedule Milestones and required due dates set forth in PART VI. Supporting Documents, Sections F(1) through F(3) Performance Schedule Milestones.

A.3.c. REPORTING

1) Contractor Agrees to Maintain Detailed Records.

The Contractor agrees to maintain all books, records detailing Contract expenses and revenue, and other documents used to perform the Contract and make such documents available to the Government for review and audit purposes. The Contractor must further maintain such records for a period of two years after Contract completion or for such time as the Contractor, for its own purposes, retains such books, records, and other documents whichever is longer.

2) All Required Reports are to be Electronically Prepared and Submitted

All required reports are to be electronically prepared and formatted for compatibility with MS Office 2010 including, Word, Excel, Access, PowerPoint and Adobe Acrobat ver. 9.0. All project schedules shall be prepared and formatted for acceptance in MS Project 2010. All reports are to be copied on to a CD-ROM and three copies shall be delivered to the COR and one copy to the MARAD ES&H representatives during the appropriate submittal period.

3) Baseline/Pre-Arrival/Arrival.

The Contractor shall deliver the following reports to the COR within the time frame indicated:

- a) Not later than four (4) days after the Obsolete Vessel arrival at the Buyer's recycling facility:
- i. Copies of all notifications made, as required, to Federal, State and local regulatory agencies.

- ii. A report of the location and inventory of all hazardous materials/wastes on-site at the Buyer's recycling facility at the time of the Obsolete Vessel arrival (to prevent co-mingling with other vessel wastes).
  - iii. An inspection report of the condition of the facility at the beginning of the project including copies of the most recent Buyer furnished ground and water sampling results.
- b) Not later than ten (10) days after the Obsolete Vessel arrival at the Buyer's recycling facility at the beginning of the project:
  - i. A verification report of the contents of all tanks on the Obsolete Vessel, conducted upon the Obsolete Vessel arrival at the Buyer's recycling facility, compared to the Government furnished tank soundings provided prior to the Obsolete Vessel departure.
  - ii. Verification of the on arrival survey of all tank contents and approximate quantities contained and compared to the Government furnished baseline estimates with an accompanying tank diagram shall constitute verification. Inaccessible tanks shall be identified in the report.
  - iii. The Contractor shall submit not later than 20 days after the Obsolete Vessel's arrival at the Contractor's facility and prior to the start of work a verification of hazardous materials/wastes inclusive of sampling and analytical results so that areas containing or contaminated with hazardous or regulated substances are identified to enable safe work practices and applicable environmental regulations to be identified and implemented. Areas where presumption of hazardous/regulated materials is made shall be identified in the report submitted and the report shall be accepted by the COR prior to the beginning of work in those areas.

4) Bi-Weekly Status Reports:

The Contractor shall prepare technical status report to be submitted bi-weekly, beginning within 14 calendar days after the Contract award date, on a day mutually agreeable to all parties, that summarizes the previous two weeks performance and forecasts the next two weeks performance period. The previous two week reporting period shall end on the Friday before the scheduled bi-weekly report due date. The report shall be submitted to the COR at least 24 hours prior to the scheduled bi-weekly meeting. The purpose of this report is to apprise MARAD of the project status and to identify any departures from the approved management and TCP. The report shall consist of two parts.

a) Part 1: Executive level progress summary:

The progress summary shall be concise and consist of all technical activities performed under the Contract during the reporting period. Actual physical progress reporting shall be an approximate percentage of actual work completed derived from the updated current Performance Schedule.

Part I shall discuss the following topics:

- i. A Project Milestones Table.
  - (a) The table shall be presented with columns noting the original contract/baseline, revised and actual dates indicated for each milestone.
- ii. Any Changes of Key Personnel concerned with the project.
  - (a) Project Manager
  - (b) Contracts Manager
  - (c) EH&S Manager
- iii. Project Progress.
  - (a) Progress since the previous progress report defined as work accomplished vs. planned work.
  - (b) Approximate overall percentage of project completion with accompanying breakdowns of the percentage of completion for the remediation of hazardous materials and for the dismantling of the Obsolete Vessel.
- iv. Project Difficulties.
  - (a) Difficulties encountered during the reporting period.
  - (b) Corrective actions taken.
- v. Regulatory Agency Notification.
  - (a) Inspection(s) conducted.
  - (b) Notices of Violation, citations, or cautionary notices received from regulators during the reporting period relating to the performance of this Contract.
  - (c) Notification of any other documentation relating to Federal, state or local administrative or legal actions arising under or relating to the Contract.
  - (d) Progress on resolution of any deficiencies identified by regulatory inspection.
- vi. Permits/Licenses.
  - (a) Status of outstanding permits/licenses required for performance of this Contract and status of any existing permits/licenses due to expire within ninety (90) calendar days of the bi-weekly report.
  - (b) Advance notice of commencement of project activities that will require notification to any regulatory agency by the Contractor or any of its subcontractors.
  - (c) Contractor's responses to any outstanding discrepancies noted or questions asked in writing by the Government.
- vii. Risk Assessment.
  - (a) Risk relating to timely completion of this Contract.

b) Part 2: Project Progress Documentation



This section shall consist of specific areas of interest relating to the progress and documentation of the project. Quantities for materials/wastes shall be reported for the previous two-week reporting period, cumulatively to date with a comparison to Contractor's initial estimated quantities. Quantities are to be reported in the unit of measure and type as proposed so as to be traceable to the Contractor's initial estimates.

Part 2 shall discuss the following topics:

- i. Performance Schedule and Disposal Status.
  - (a) The Contractor shall prepare and submit a current Performance Schedule, which clearly compares actual progress against the Baseline Performance Schedule.
  - (b) An updated Obsolete Vessel profile drawing color coded and integrated into the current Performance Schedule, which clearly displays, by location, the level of progress associated with the remediation of hazardous materials and dismantling.
  - (c) Identification of the deck to which the Obsolete Vessel has been dismantled.
- ii. Project Recovery Plan.
  - (a) Narrative of Contractor's proposed recovery plan and schedule to regain planned schedule performance.
- iii. Hazardous Materials/Wastes.
  - (a) Status of hazardous material/waste abatement and disposal including copies of all required manifests and other shipping documents or hazardous property disposal documents.
  - (b) Quantity of each type of hazardous material/waste removed from the Obsolete Vessel, in storage and shipped for disposal during the reporting period.
  - (c) Quantity of each type of hazardous material/waste forecasted to be removed from the Obsolete Vessel, placed in storage, or shipped for disposal in the next two-week reporting period.
  - (d) Copies of chain of custody forms for all samples and copies of the results of sampling obtained during the previous two-week reporting period.
- iv. Recyclable Materials.
  - (a) Status of recyclable equipment and materials disposal including copies of all required property transfer documents.
  - (b) Tonnage of recyclable ferrous and non-ferrous metals and equipment removed, in storage and shipped during the previous two-week reporting period.
  - (c) Cumulative totals of recyclable ferrous and non-ferrous metals and equipment removed, in storage and shipped.

- (d) Forecasted tonnage of recyclable ferrous and non-ferrous metals and equipment to be removed placed in storage and shipped in the next two-week reporting period.
- v. Health, Safety and Environmental Regulatory Inspections.
  - (a) Copies of notification of any regulatory agency inspection conducted, or any Notices of Violation, citations, or cautionary notices received from regulators during the previous two-week reporting period.
  - (b) Changes to the Contractor's worker health and safety program including copies of all required health and safety documentation.
  - (c) Status of any safety deficiencies found during on-site inspections by the Contractor or any Federal, State or local regulatory agency and Contractor's expected timetable for completing corrective action.
  - (d) Copies of worker exposure monitoring data.
  - (e) Copies of asbestos enclosure clearance sampling results.
  - (f) Copies of Marine Chemists gas free certifications.
  - (g) Copies of notification of any other documentation relating to Federal, state or local administrative or legal actions arising under or relating to the Contract. The Contractor shall supply the COR with copies of all correspondence associated with regulatory agencies relating to the performance of this Contract.
  - (h) Copies of any accident, incident and injury reports generated by the Contractor and required for submittal to any regulatory agency during the previous two-week reporting period.
  - (i) Summary totals of worker injuries, incidents and lost labor days for the previous two-week reporting period including cumulative totals and a summary of causes.

5) Bi-Weekly Progressing Meeting:

The Contractor shall participate in a Bi-Weekly Progress Meeting at a place and time mutually agreeable to all parties either on site or by teleconference. The Contractor's representative in attendance shall be authorized to make management decisions relative to the requirements of the Contract.

- a) The Contractor shall be prepared to discuss the following:
  - i. Total percentage of work complete.
  - ii. Percentage completion of each work activity.
  - iii. Performance Schedule milestones, key events, Controlling Work Items, Critical Path, slack, and schedule recovery.

- iv. Planned production manning versus actual manning.
  - v. Major problems for critical path activities and proposed corrective action.
- b) The Contractor shall provide for the bi-weekly meeting, and at least one working day prior to the scheduled meeting:
- i. An updated performance schedule with a summary report listing each work activity.
  - ii. Current actual physical progress percent complete for each work activity. Percentage complete shall agree with the percentage complete as reported in the performance schedule.

6) Final Close-Out Report:

The Final Close-Out Report is a milestone activity and shall be scheduled in the Baseline Performance Schedule. The report shall be submitted to MARAD within thirty (30) calendar days after the last structural piece is removed from the slip.

The Contractor shall provide a Final Close-Out report to include:

- a) A final Performance Schedule updated to show actual events of the project including:
  - i. The actual duration of the scheduled activities compared to the Baseline Performance Schedule.
- b) A comparison report, which shows actual quantities of all hazardous materials remediated compared to the Contractor's hazardous material estimate.
- c) Total dismantling labor hours by hazmat quantities and dismantling activities.
- d) Total abatement labor hours by hazmat quantities and dismantling activities.
- e) Quantity of wastes disposed by element.
- f) Quantity of scrap recovered for resale to include, but not be limited to, ferrous, non-ferrous, and equipment including revenue received for each type of recyclable material. The Contractor shall provide the figures for the actual revenue received for sold recyclable materials. For materials stock piled after the closeout date the Contractor shall provide the estimated revenue for each type of recyclable material based on the anticipated revenue calculated at the time of submission of the Final Close-Out Report. The figures shall be totaled to arrive at the final revenue amounts received for each type of recyclable material.

- g) A written certificate attesting that on said date all materials associated with the Obsolete Vessel have been disposed of in accordance with the applicable regulatory and Contract requirements. The Contractor shall identify the types and quantities of recyclable material and equipment retained for recycling.
- h) A written certificate attesting that on said date the recycling facility has been returned to the same condition as identified in the baseline pre-arrival/arrival determination.
- i) A written certificate entitled "Certificate of Destruction" as required by paragraph A.3.f.2).
- j) A written "Release of Claims" remising, releasing, and discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the Contract..

#### A.3.d. CONTRACTING OFFICER'S REPRESENTATIVE.

The Contracting Officer shall designate a Contracting Officer's Representative (COR) to act on behalf of the Contracting Officer to manage and oversee all technical aspects of this Contract. The COR will advise the Contractor on all technical matters relating to the Contract. The Contractor shall submit all reports and status updates to the COR. The Contractor shall submit all Contract issues, including but not limited to requests for schedule extensions and changes to the TCP, to the Contracting Officer in writing, with a copy to the COR. Note: While the COR represents the Contracting Officer on technical matters, the Contracting Officer retains all authorities under this Contract including the exclusive authority to enter into and sign all Contract modifications, including extensions to the Contract Period of Performance.

#### A.3.e. INSPECTION BY GOVERNMENT

The Contractor shall permit MARAD, its representatives thereof and other federal agencies to inspect the Obsolete Vessel and the Contractor's operations in connection therewith at all reasonable times upon request, for such purposes as MARAD or representatives thereof may deem necessary or appropriate in order to determine or verify compliance by the Contractor with all terms and conditions of this Contract. Such inspection may, at MARAD's sole discretion, be recorded by any means including, but not limited to, the taking of photographs or videos by the MARAD personnel attending the inspection.

#### A.3.f. CONTRACT COMPLETION

##### 1) Completion of Disposal.

The Contractor shall, within 30 calendar days after removal of the last structural piece of the Obsolete Vessel from the slip, complete remediation of all hazardous materials.

Notwithstanding any performance milestone regarding the completion of material sales and

recycling, the Contractor may retain recyclable ferrous and non-ferrous metals and equipment indefinitely after the 30 calendar day period and may dispose of these recyclable materials at the Contractor's convenience, provided that, prior to the expiration of such 30 calendar day period, the Contractor provides written notice to MARAD of its intent to stock pile such materials and includes the estimated revenue of any such stock piled materials in its Final Close-Out Report in accordance with paragraph A.3.c.3)f). Stockpiled material from MARAD, other vessels and or recyclable materials, that have been tested and found to contain PCBs in concentration greater than 50 ppm shall be segregated from clean recyclables and shall be disposed in accordance with all applicable statutes and regulations within 30 calendar days after the last structural piece of the Obsolete Vessel is removed from the slip.

2) Proof of the Dismantlement.<sup>23</sup>

The Contractor shall submit a Certificate of Destruction certifying that as of said date the Obsolete Vessel has been removed from the slip and completely dismantled and that all hazardous materials have been remediated in accordance with the Contract and all Federal, State and local laws and regulations, and that any stockpiled material from the Obsolete Vessel had been disposed of in accordance with the Contract and all Federal, State and local laws and regulations. The certificate shall be signed by the person who executed the Contract on behalf of the Contractor or by an employee of the Contractor authorized in writing by the Contractor's management to execute that Certification on behalf of the Contractor. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001, and will apply to both the individual executing the certification and the Contractor.

3) Final Completion.

The Contract shall not be complete until the Final Close-Out Report, including all required information and documentation, is submitted to and approved by MARAD.

A.3.g. EXCUSABLE DELAYS

This clause applies to both Sales and Services contracts and, per the Addendum in Clause V.C.2.b, it replaces paragraph (f) of **52.212-4 Contract Terms and Conditions – Commercial Items**.

- 1) Excusable delays. The Contractor shall be liable for default and/or liquidated damages (see paragraph 4, below) unless nonperformance is caused by an occurrence beyond the reasonable control and without fault or negligence of the Contractor such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the

---

<sup>23</sup> See definition of "Dismantlement" in PART V.A, above.

full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

2) Requests for Extension of Performance Schedule.

If the Contractor seeks an extension of the performance schedule for a reason supportable under this clause, the Contractor must submit a written request for extension of the performance schedule to the Contracting Officer. A request for extension of performance schedule must:

- a) Be in writing, addressed to the Contracting Officer
- b) Request a specific amount of calendar days for the extension.
- c) Contain all appropriate supporting documentation and supplemental information that the Contracting Officer requires or should request, including but not limited to documentation showing how the excusable delay impacted the critical path and the number of calendar days attributable to the excusable delay.
- d) Be submitted to the Contracting Officer within a reasonable period of time, as determined by the Contracting Officer, after the occurrence of the event or happening causing the delay.

3) Extension of Performance Schedule.

If the Contracting Officer determines the delay, or a portion of the delay, was excusable, then the Contracting Officer may, in writing, extend the performance schedule for the period of time the Contracting Officer determines performance was impacted by the excusable delay.

4) Performance Schedule Delay Liquidated Damages.

The failure of the Contractor to timely perform this Contract will cause the Government substantial damage, and the amount of such damage will be difficult to ascertain. In the event the Contractor fails, neglects or refuses to dismantle the Obsolete Vessel in the manner provided herein and within the performance period herein specified, or any extension thereof granted by the Contracting Officer, the Contractor shall pay to MARAD as liquidated damages, and not as a penalty, in addition to any other sum or sums payable hereunder, the sum of **SIX HUNDRED TWENTY ONE DOLLARS (\$621.00)** for each calendar day until performance is satisfactorily completed.

5) No Damage for Delay. This clause provides the exclusive remedy for excusable delays under this Contract. Except as set forth in paragraph 6), below, the Contractor agrees to make no monetary claim for delays in the performance of this Contract and agrees that any claim for excusable delay shall be submitted in accordance with this clause and shall only be compensated for by an extension of the performance schedule.

6) Monetary Adjustment for Delay in Delivery - If the Government fails to deliver the Obsolete Vessel to the Contractor and causes the Contractor to be delayed more than five calendar days after the scheduled date of the vessel undocking and/or completion of the underwater

hull cleaning as stipulated in the Contract, for the reasons set forth below, the Contracting Officer will consider a request from the Contractor for a Contract adjustment to compensate for reasonable tug demurrage costs directly and solely attributable to such delay. The only delays for which an adjustment will be considered are delays affecting the delivery of the Obsolete Vessel caused solely by MARAD, the Navy, and/or a hull cleaning contractor contracted for directly by the government (if any) arising from the hull cleaning or pier side repair of the Obsolete Vessel at the Shipyard or NISMF. Compensation may be considered for delays caused, without the fault or negligence of the Contractor, by the underwater hull cleaning of the BRF/JRRF vessels if the hull cleaning contractor is contracted for directly by the government. No compensation will be made for a delay in delivery of five calendar days or less. No adjustment will be made for any delay in delivery resulting from any other cause, including the fault or negligence of the Contractor, or for which an adjustment is provided or excluded under any other term or condition of this Contract.

- a) If a delay in delivery occurs and tug demurrage costs will be incurred, not later than the calendar day after the scheduled date of vessel undocking and/or completion of the underwater hull cleaning the Contractor must notify the Contracting Officer in writing of the daily amount of the tug demurrage costs it will incur under its towing contract and submit a copy of that contract to the Contracting Officer. Failure of the Contractor to provide both the written notice and the towing contract by the calendar day after the scheduled completion date of the underwater hull cleaning may result in a denial of any request for a price reduction. The Contractor must submit to the Contracting Officer any request for compensation under this clause within ten (10) calendar days after it receives the bill for the tug demurrage charges for which it seeks relief and that bill must be included with the request.
- b) The Contracting Officer will determine the amount of compensation due for the delayed delivery and that amount will be deducted from the sales price or added to the service contract.

**SUBPART V.B.**  
**REQUIREMENTS (APPLICABLE TO SALES CONTRACTS)**

**B.1. AUTHORITY FOR SALE OF OBSOLETE VESSELS**

Pursuant to the authority of Section 6(c)(1) of the National Maritime Heritage Act of 1994, as amended (54 U.S.C. § 308704(c)(1)),<sup>24</sup> § 3502 of Public Law 106-398, as amended,<sup>25</sup> and 46 U.S.C. § 57102,<sup>26</sup> the Government wishes to sell and the Contractor wishes to purchase, the Obsolete Vessel described in the Contract, and the Contracting Officer and the Contractor have entered into the Contract, subject to the terms and conditions set forth in the Contract.

**B.2. CONVEYANCE OF TITLE**

The Contracting Officer, by Bill of Sale for the Obsolete Vessel, the form of which is attached hereto as Exhibit 1, conveys title to, sells and transfers the whole of the Obsolete Vessel to the Contractor, "AS-IS," as of the date and hour the Obsolete Vessel arrives at and is secured at the place where it will be dismantled, with warranties of title and freedom from all liens and encumbrances arising out of its acts or inaction, other than statutory and contractual restrictions running in favor of the UNITED STATES OF AMERICA. The Contractor agrees to the aforementioned conveyance and acknowledges that from the date and hour of such transfer, it will hold title to the Obsolete Vessel.

---

<sup>24</sup> Section 6(c)(1) of the National Maritime Heritage Act of 1994 was originally enacted in Section 6(c)(1) of Pub. L. 103-451, November 2, 1994, 108 Stat. 4777, and codified at 16 U.S.C. § 5405(c)(1). It has been amended by Section 1026(c) of the National Defense Authorization Act for FY 1998, Pub. L. 105-85, November 18, 1997, 111 Stat. 1878; Section 3502(a) of the National Defense Authorization Act for FY 2001, Pub. L. 106-398, October 30, 2000, 114 Stat. 1654A-490; and Section 3514 of the National Defense Authorization Act for FY 2008, Pub. L. 110-181, January 28, 2008, 122 Stat. 594. The National Maritime Heritage Act was reenacted as part of a recodification in Title 54 Chapter 3087 and 16 U.S.C. § 5405 *et seq.* was repealed in Pub. L. 113-287, §§ 3,7, December 19, 2014, 128 Stat. 3094. No substantive change were made to the law.

<sup>25</sup> Section 3502 is set forth in 16 U.S.C.A. §5405, note. The original statute was section 3502(b) to (f) of Pub. L. 106-398, October 30, 2000, 114 Stat. 1654. It has been amended by Section 3505(a) of the National Defense Authorization Act of FY 2006, Pub. L. 109-163, January 6, 2006, 119 Stat. 3551; Section 3504 of the National Defense Authorization Act of FY 2012, Pub. L. 112-81, December 31, 2011, 125 Stat. 1717; and Section 3502 of the National Defense Authorization Act of FY 2013, Pub. L. 112-239, January 2, 2013, 126 Stat. 2222. Section 3502 continues to remain in full force and effect after the recodification. The recodification specifically made no substantive changes to the law.

<sup>26</sup> To the extent consistent with later enacted statutes. Section 508 of the Merchant Marine Act of 1936, as amended, was re-codified at 46 U.S.C. §57102 in 2006.



**B.2.a. RISK OF LOSS.** Risk of loss of the Obsolete Vessel passes to the Contractor upon the Government's delivery and Contractor's acceptance of said Obsolete Vessel at the specified delivery location (i.e., government fleet or Shipyard).

**B.3. PAYMENT FOR THE OBSOLETE VESSEL**

As consideration for the conveyance, sale and transfer of the Obsolete Vessel, the Contractor has paid to the Government, prior to removal of the Obsolete Vessel from the site where the Obsolete Vessel is located, the sum of \$X,XXX,XXX,XX. The payment of this sum is consideration for the Obsolete Vessel, inclusive of towing the same to the place of disposal, the receipt of which is hereby acknowledged by the Contracting Officer.

**B.4. TERMS OF THE SALE**

This Contract is subject to the conditions set forth herein. The violation of such conditions by the Contractor or its successors and assigns shall be considered a breach by the Contracting Officer and may result in termination, forfeiture of posted bonds, liability for any and all costs associated with the breach or other remedies that the Contracting Officer may seek.

**B.5. COUNTERPART SIGNATURE**

This Contract may be executed in any number of counterparts, each of which shall be part of an original and all of which shall constitute but one and the same instrument.

**B.6. GOVERNING LAW**

This Contract shall be governed by the federal law of the United States.

**B.7. TERMINATION**

**B.7.a. TERMINATION FOR CAUSE**

In the event that the Contractor violates, in any manner the terms and conditions of this Contract including all attachments, exhibits and appendices, or fails to pay liquidated damages herein provided, the Contracting Officer may determine that the Contractor has breached the Contract and terminate said Contract.

1) Termination Procedure.

Termination shall be effected by written notice to be served upon the Contractor, either personally or by leaving said notice at its principal office with the officer in charge thereof, or by service upon the Master, if any aboard the Obsolete Vessel, and thereupon the Contractor shall cease to have any interest in the Obsolete Vessel, or any parts thereof, not dismantled as herein provided, and shall cease to have any benefits from the continuation of this Contract.

2) No Release of Liquidated Damages or Amounts Owed Government.

The Contractor and / or its surety agrees that such termination shall not release the Contractor and / or its Surety from the payment of liquidated damages or other amounts owed the Government that are due and payable, as herein provided, from the Contractor to the Contracting Officer at the time of service of the written notice of termination.

3) Obligations of the Contractor Upon Termination.

In the event this Contract is terminated, the Contractor shall immediately stop all work hereunder and cause any and all of its suppliers and subcontractors to cease work. The Contractor agrees that it will forthwith upon receipt of directions from the Contracting Officer surrender to the Contracting Officer the actual possession of the Obsolete Vessel, or any parts thereof, not dismantled as herein provided, and deliver to the Contracting Officer a properly executed bill of sale for the Obsolete Vessel conveying the Obsolete Vessel, or any parts thereof, not dismantled as herein provided, to the Government with full warranty of title and freedom from all liens and encumbrances.

B.7.b. TERMINATION WITHOUT CAUSE PRIOR TO TITLE CONVEYANCE

The Government reserves the right to terminate this Contract, immediately upon written notice, for any reason, at any time prior to the time that title to the Obsolete Vessel is conveyed to Contractor.

1) Seller Liability for Termination Costs.

Subject to the terms of this Contract, the Government shall refund, to the Contractor, the purchase price for the Obsolete Vessel and the cost of performance incurred up to the time of the termination and any commercially reasonable expenses having resulted from the termination that the Contractor can demonstrate, to the satisfaction of the Government that it actually incurred. In no event will the Government be liable for consequential, special, indirect, or punitive damages, including but not limited to loss profits, arising out of or resulting from the termination of this Contract under this Termination Without Cause provision. The Contractor shall not be reimbursed for any work performed or costs incurred which reasonably could have been avoided.

2) Termination Procedure.

Termination shall be effected immediately by written notice to be served upon the Contractor, either personally or by leaving said notice at its principal office with the officer

in charge thereof or by service upon the Master, if any, aboard the Obsolete Vessel, and thereupon the Contractor shall cease to have any interest in the Obsolete Vessel, or any parts thereof, not dismantled as herein provided, and shall cease to have any benefits from the continuation of this Contract.

3) Obligations of the Contractor Upon Termination.

In the event of such termination, the Contractor shall immediately stop all work hereunder and cause any and all of its suppliers and subcontractors to cease work. In addition, the Contractor agrees that it will forthwith, upon receipt of directions from the Contracting Officer surrender to the Contracting Officer the actual possession of the Obsolete Vessel, or any parts thereof, not dismantled as herein provided, and deliver to the Contracting Officer a property executed bill of sale for the Obsolete Vessel conveying the Obsolete Vessel, or any parts thereof, not dismantled as herein provided, to the Government with fully warranty of title and freedom from all liens and encumbrances.

4) Contractor's Submission of Damages.

Contractor shall submit to the Contracting Office, in writing, all direct and incidental damages Contractor incurred as a result of the termination of this Contract.

## **B.8. DISPUTES**

B.8.a. This Contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. §§ 7101-7109). The Civilian Board of Contract Appeals has the authority to consider disputes arising under this Contract, as well as authority to decide disputes relating to this Contract.

B.8.b. The Contractor executing this Contract for the Obsolete Vessel agrees, notwithstanding the below Disputes Clause, not to submit a written demand seeking the payment of money or an adjustment in contract price except as expressly authorized in the following clauses of the Contract:

- 1) V.A.3.g.6) Monetary Adjustment for Delay in Delivery
- 2) V.B.7.b. TERMINATION WITHOUT CAUSE PRIOR TO TITLE CONVEYANCE

### **B.8.c. DISPUTES CLAUSE**

- 1) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this Contract. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by

complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

- 2) A claim by the Contractor shall be made in writing and, unless otherwise stated in this Contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.
  - a) The Contractor shall provide the certification specified in paragraph c) of this clause when submitting any claim exceeding \$100,000.
  - b) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.
  - c) The certification shall state as follows: “I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor.”
  - d) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.
- 3) For Contractor claims of \$100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 calendar days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer must, within 60 calendar days, decide the claim or notify the Contractor of the date by which the decision will be made.
- 4) The Contracting Officer’s decision shall be final unless the Contractor appeals or files a suit as provided in the Act.
- 5) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor’s specific reasons for rejecting the offer.
- 6) The Government shall pay interest on the amount found due and unpaid from
  - a) the date that the Contracting Officer receives the claim (certified, if required); or
  - b) the date that payment otherwise would be due, if that date is later, until the date of payment.
  - c) With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting

Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

- 7) The Contractor shall proceed diligently with performance of this Contract, pending final resolution of any request for relief, claim, appeal, or action arising under the Contract, and comply with any decision of the Contracting Officer.

#### **B.9. SYSTEM FOR AWARD MAINTENANCE**

B.9.a. The Contractor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information, including annual representations and certifications, in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

B.9.b. The Contractor shall ensure that the DUNS number is maintained with Dun & Bradstreet throughout the life of the contract. The Contractor shall communicate any change to the DUNS number to the Contracting Officer within 30 days after the change. Dun & Bradstreet may be contacted at <http://fedgov.dnb.com/webform> or 1-866-705-5711.

B.9.c. Contractors may obtain information on registration and annual confirmation requirements via the SAM accessed through <http://www.acquisition.gov> or by calling 866-606-8220.

## **SUBPART V.C**

### **CLAUSES (APPLICABLE TO SHIP DISPOSAL SERVICES CONTRACTS)**

#### **C.1. AUTHORITY**

Pursuant to the authority of Section 6(c)(1) of the National Maritime Heritage Act of 1994, as amended (54 U.S.C. § 308704(c)(1)),<sup>27</sup> § 3502 of Public Law 106-398, as amended,<sup>28</sup> this service contract is awarded under the Ship Disposal Services Solicitation (RFQ DTMA-91-Q-2013-0013). The Contract is a Commercial Item service contract awarded using the simplified acquisition procedures authorized in Federal Acquisition Regulations (FAR) Part 13 provides, in FAR 13.103. Use of simplified acquisition procedures for these commercial services is authorized under FAR 13.5, Test Program for Certain Commercial Items; therefore no contract awarded under the standing quotation process will exceed \$6,500,000.

#### **C.2. COMMERCIAL ITEM FAR CLAUSES**

##### C.2.a. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://acquisition.gov/far/current/html/FARTOCP52.html>

52.212-4 -- CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS.  
(MAY 2014)

---

<sup>27</sup> Section 6(c)(1) of the National Maritime Heritage Act of 1994 was originally enacted in Section 6(c)(1) of Pub. L. 103-451, November 2, 1994, 108 Stat. 4777, and codified at 16 U.S.C. § 5405(c)(1). It has been amended by Section 1026(c) of the National Defense Authorization Act for FY 1998, Pub. L. 105-85, November 18, 1997, 111 Stat. 1878; Section 3502(a) of the National Defense Authorization Act for FY 2001, Pub. L. 106-398, October 30, 2000, 114 Stat. 1654A-490; and Section 3514 of the National Defense Authorization Act for FY 2008, Pub. L. 110-181, January 28, 2008, 122 Stat. 594. The National Maritime Heritage Act was reenacted as part of a recodification in Title 54 Chapter 3087 and 16 U.S.C. § 5405 *et seq.* was repealed in Pub. L. 113-287, §§ 3,7, December 19, 2014, 128 Stat. 3094. No substantive changes were made to the law.

<sup>28</sup> Section 3502 is set forth in 16 U.S.C.A. §5405, note. The original statute was section 3502(b) to (f) of Pub. L. 106-398, October 30, 2000, 114 Stat. 1654. It has been amended by Section 3505(a) of the National Defense Authorization Act of FY 2006, Pub. L. 109-163, January 6, 2006, 119 Stat. 3551; Section 3504 of the National Defense Authorization Act of FY 2012, Pub. L. 112-81, December 31, 2011, 125 Stat. 1717; and Section 3502 of the National Defense Authorization Act of FY 2013, Pub. L. 112-239, January 2, 2013, 126 Stat. 2222. Section 3502 continues to remain in full force and effect after the recodification. The recodification specifically made no substantive changes to the law.

If the contract award exceeds \$500,000, then the following clause applies:

52.209-7 – INFORMATION REGARDING RESPONSIBILITY MATTERS (JUL 2013)

C.2.b. ADDENDUM TO FAR 52.212-4 CONTRACT TERMS AND CONDITIONS –  
COMMERCIAL ITEMS

The terms and conditions in Clause C.2.a, FAR 52.212-4, are tailored as set forth below and, to the extent there is any inconsistency between the referenced paragraphs of FAR 52.212-4 and the identified Contract Clauses and Requirements from Part V shall have precedence:

1. **52.212-4(c) Changes** – Paragraph (c) is modified by Clause V.A.1.g.3. Normal Deterioration.
2. **52.212-4 (f) Excusable Delay** – Paragraph (f) is replaced by Clause V.A.1.g.6 Time for Acceptance of Delivery and Clause A.3.g Excusable Delays.
3. **52.212-4 (m) Termination for Cause** – The provisions on paragraph (m) are in addition to those in clause V.C.6. and the provisions of Subpart V.A.
4. **52.212-4 (p) Limitation of Liability** – Paragraph (p) is tailored by adding the words in italics:  

(p) Limitation of liability. Except as otherwise provided by an express warranty *or in another provision of the contract*, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.
5. **52.212-4 (s) Order of Precedence** – Paragraph (s) is replaced in its entirety by Clause V.C.11.

C.2.c. 52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT  
STATUTES OR EXECUTIVE ORDERS—COMMERCIAL ITEMS (JUN 2014)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

- (1) [52.222-50](#), Combating Trafficking in Persons (Feb 2009) ([22 U.S.C. 7104\(g\)](#)).  
\_\_\_\_ Alternate I (Aug 2007) of [52.222-50](#) ([22 U.S.C. 7104\(g\)](#)).
- (2) [52.233-3](#), Protest After Award (AUG 1996) ([31 U.S.C. 3553](#)).
- (3) [52.233-4](#), Applicable Law for Breach of Contract Claim (OCT 2004)"(Public Laws 108-77 and 108-78 ([19 U.S.C. 3805 note](#))).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

X (1) [52.203-6](#), Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) ([41 U.S.C. 4704](#) and [10 U.S.C. 2402](#)).

\_\_\_ (2) [52.203-13](#), Contractor Code of Business Ethics and Conduct (Apr 2010) ([41 U.S.C. 3509](#))).

\_\_\_ (3) [52.203-15](#), Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (June 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

X (4) [52.204-10](#), Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2013) (Pub. L. 109-282) ([31 U.S.C. 6101 note](#)).

\_\_\_ (5) [Reserved].

\_\_\_ (6) [52.204-14](#), Service Contract Reporting Requirements (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).

\_\_\_ (7) [52.204-15](#), Service Contract Reporting Requirements for Indefinite-Delivery Contracts (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).

X (8) [52.209-6](#), Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (Aug 2013) ([31 U.S.C. 6101 note](#)).

X (9) [52.209-9](#), Updates of Publicly Available Information Regarding Responsibility Matters (Jul 2013) ([41 U.S.C. 2313](#)).

X (10) [52.209-10](#), Prohibition on Contracting with Inverted Domestic Corporations (May 2012) (section 738 of Division C of Pub. L. 112-74, section 740 of Division C of Pub. L. 111-117, section 743 of Division D of Pub. L. 111-8, and section 745 of Division D of Pub. L. 110-161).

\_\_\_ (11) [52.219-3](#), Notice of HUBZone Set-Aside or Sole-Source Award (Nov 2011) ([15 U.S.C. 657a](#)).

\_\_\_ (12) [52.219-4](#), Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 2011) (if the offeror elects to waive the preference, it shall so indicate in its offer) ([15 U.S.C. 657a](#)).

\_\_\_ (13) [Reserved]

\_\_\_ (14)(i) [52.219-6](#), Notice of Total Small Business Set-Aside (Nov 2011) ([15 U.S.C. 644](#)).

\_\_\_ (ii) Alternate I (Nov 2011).

\_\_\_ (iii) Alternate II (Nov 2011).

\_\_\_ (15)(i) [52.219-7](#), Notice of Partial Small Business Set-Aside (June 2003) ([15 U.S.C. 644](#)).

\_\_\_ (ii) Alternate I (Oct 1995) of [52.219-7](#).

\_\_\_ (iii) Alternate II (Mar 2004) of [52.219-7](#).

\_\_\_ (16) [52.219-8](#), Utilization of Small Business Concerns (May 2014) ([15 U.S.C. 637\(d\)\(2\)](#) and (3)).

\_\_\_ (17)(i) [52.219-9](#), Small Business Subcontracting Plan (Jul 2013) ([15 U.S.C. 637\(d\)\(4\)](#)).

\_\_\_ (ii) Alternate I (Oct 2001) of [52.219-9](#).

\_\_\_ (iii) Alternate II (Oct 2001) of [52.219-9](#).

\_\_\_ (iv) Alternate III (Jul 2010) of [52.219-9](#).

\_\_\_ (18) [52.219-13](#), Notice of Set-Aside of Orders (Nov 2011)([15 U.S.C. 644\(r\)](#)).

\_\_\_ (19) [52.219-14](#), Limitations on Subcontracting (Nov 2011) ([15 U.S.C. 637\(a\)\(14\)](#)).



- \_\_\_ (20) [52.219-16](#), Liquidated Damages—Subcon-tracting Plan (Jan 1999) ([15 U.S.C. 637\(d\)\(4\)\(F\)\(i\)](#)).
- \_\_\_ (21)(i) [52.219-23](#), Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) ([10 U.S.C. 2323](#)) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- \_\_\_ (ii) Alternate I (June 2003) of [52.219-23](#).
- \_\_\_ (22) [52.219-25](#), Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting (Jul 2013) (Pub. L. 103-355, section 7102, and [10 U.S.C. 2323](#)).
- \_\_\_ (23) [52.219-26](#), Small Disadvantaged Business Participation Program—Incentive Subcontracting (Oct 2000) (Pub. L. 103-355, section 7102, and [10 U.S.C. 2323](#)).
- \_\_\_ (24) [52.219-27](#), Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov 2011) ([15 U.S.C. 657 f](#)).
- \_\_\_ (25) [52.219-28](#), Post Award Small Business Program Rerepresentation (Jul 2013) ([15 U.S.C. 632\(a\)\(2\)](#)).
- \_\_\_ (26) [52.219-29](#), Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Jul 2013) ([15 U.S.C. 637\(m\)](#)).
- \_\_\_ (27) [52.219-30](#), Notice of Set-Aside for Women-Owned Small Business (WOSB) Concerns Eligible Under the WOSB Program (Jul 2013) ([15 U.S.C. 637\(m\)](#)).
- X (28) [52.222-3](#), Convict Labor (June 2003) (E.O. 11755).
- \_\_\_ (29) [52.222-19](#), Child Labor—Cooperation with Authorities and Remedies (Jan 2014) (E.O. 13126).
- X (30) [52.222-21](#), Prohibition of Segregated Facilities (Feb 1999).
- X (31) [52.222-26](#), Equal Opportunity (Mar 2007) (E.O. 11246).
- X (32) [52.222-35](#), Equal Opportunity for Veterans (Sep 2010)([38 U.S.C. 4212](#)).
- X (33) [52.222-36](#), Affirmative Action for Workers with Disabilities (Oct 2010) ([29 U.S.C. 793](#)).
- X (34) [52.222-37](#), Employment Reports on Veterans (SEP 2010) ([38 U.S.C. 4212](#)).
- X (35) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496).
- X (36) [52.222-54](#), Employment Eligibility Verification (AUG 2013). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in [22.1803](#).)
- \_\_\_ (37)(i) [52.223-9](#), Estimate of Percentage of Recovered Material Content for EPA–Designated Items (May 2008) ([42 U.S.C. 6962\(c\)\(3\)\(A\)\(ii\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
- \_\_\_ (ii) Alternate I (May 2008) of [52.223-9](#) ([42 U.S.C. 6962\(i\)\(2\)\(C\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
- \_\_\_ (38)(i) [52.223-13](#), Acquisition of EPEAT®-Registered Imaging Equipment (JUN 2014) (E.O. 13423 and 13514).
- \_\_\_ (ii) Alternate I (Jun 2014) of [52.223-13](#).
- \_\_\_ (39)(i) [52.223-14](#), Acquisition of EPEAT®-Registered Televisions (E.O. 13423 and 13514).
- \_\_\_ (ii) Alternate I (Jun 2014) of [52.223-14](#).

- \_\_\_ (40) [52.223-15](#), Energy Efficiency in Energy-Consuming Products (DEC 2007) ([42 U.S.C. 8259b](#)).
- \_\_\_ (41)(i) [52.223-16](#), Acquisition of EPEAT®-Registered Personal Computer Products (JUN 2014) (E.O. 13423 and 13514).
- \_\_\_ (ii) Alternate I (Jun 2014) of [52.223-16](#).
- X (42) [52.223-18](#), Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011) (E.O. 13513).
- \_\_\_ (43) [52.225-1](#), Buy American—Supplies (May 2014) ([41 U.S.C. chapter 83](#)).
- \_\_\_ (44)(i) [52.225-3](#), Buy American—Free Trade Agreements—Israeli Trade Act (May 2014) ([41 U.S.C. chapter 83](#), [19 U.S.C. 3301](#) note, [19 U.S.C. 2112](#) note, [19 U.S.C. 3805](#) note, [19 U.S.C. 4001](#) note, Pub. L. 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138, 112-41, 112-42, and 112-43).
- \_\_\_ (ii) Alternate I (May 2014) of [52.225-3](#).
- \_\_\_ (iii) Alternate II (May 2014) of [52.225-3](#).
- \_\_\_ (iv) Alternate III (May 2014) of [52.225-3](#).
- \_\_\_ (45) [52.225-5](#), Trade Agreements (NOV 2013) ([19 U.S.C. 2501](#), *et seq.*, [19 U.S.C. 3301](#) note).
- X (46) [52.225-13](#), Restrictions on Certain Foreign Purchases (June 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
- \_\_\_ (47) [52.225-26](#), Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; [10 U.S.C. 2302 Note](#)).
- \_\_\_ (48) [52.226-4](#), Notice of Disaster or Emergency Area Set-Aside (Nov 2007) ([42 U.S.C. 5150](#)).
- \_\_\_ (49) [52.226-5](#), Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) ([42 U.S.C. 5150](#)).
- \_\_\_ (50) [52.232-29](#), Terms for Financing of Purchases of Commercial Items (Feb 2002) ([41 U.S.C. 4505](#), [10 U.S.C. 2307\(f\)](#)).
- \_\_\_ (51) [52.232-30](#), Installment Payments for Commercial Items (Oct 1995) ([41 U.S.C. 4505](#), [10 U.S.C. 2307\(f\)](#)).
- X (52) [52.232-33](#), Payment by Electronic Funds Transfer—System for Award Management (Jul 2013) ([31 U.S.C. 3332](#)).
- \_\_\_ (53) [52.232-34](#), Payment by Electronic Funds Transfer—Other than System for Award Management (Jul 2013) ([31 U.S.C. 3332](#)).
- \_\_\_ (54) [52.232-36](#), Payment by Third Party (May 2014) ([31 U.S.C. 3332](#)).
- \_\_\_ (55) [52.239-1](#), Privacy or Security Safeguards (Aug 1996) ([5 U.S.C. 552a](#)).
- \_\_\_ (56)(i) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)).
- \_\_\_ (ii) Alternate I (Apr 2003) of [52.247-64](#).
- (c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

X (1) [52.222-41](#), Service Contract Labor Standards (May 2014) ([41 U.S.C. chapter 67](#)).

— (2) [52.222-42](#), Statement of Equivalent Rates for Federal Hires (May 2014) ([29 U.S.C. 206](#) and [41 U.S.C. chapter 67](#)).

— (3) [52.222-43](#), Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (Multiple Year and Option Contracts) (May 2014) ([29 U.S.C. 206](#) and [41 U.S.C. chapter 67](#)).

X (4) [52.222-44](#), Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (May 2014) ([29 U.S.C. 206](#) and [41 U.S.C. chapter 67](#)).

— (5) [52.222-51](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (May 2014) ([41 U.S.C. chapter 67](#)).

— (6) [52.222-53](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements (May 2014) ([41 U.S.C. chapter 67](#)).

— (7) [52.222-17](#), Nondisplacement of Qualified Workers (May 2014) (E.O.13495).

— (8) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (May 2014) ([42 U.S.C. 1792](#)).

— (9) [52.237-11](#), Accepting and Dispensing of \$1 Coin (Sept 2008) ([31 U.S.C. 5112\(p\)\(1\)](#)).

(d) *Comptroller General Examination of Record*. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at [52.215-2](#), Audit and Records—Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR [Subpart 4.7](#), Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) [52.203-13](#), Contractor Code of Business Ethics and Conduct (Apr 2010) ([41 U.S.C. 3509](#)).

- (ii) [52.219-8](#), Utilization of Small Business Concerns (May 2014) ([15 U.S.C. 637\(d\)\(2\)](#) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$650,000 (\$1.5 million for construction of any public facility), the subcontractor must include [52.219-8](#) in lower tier subcontracts that offer subcontracting opportunities.
  - (iii) [52.222-17](#), Nondisplacement of Qualified Workers (May 2014) (E.O. 13495). Flow down required in accordance with paragraph (l) of FAR clause [52.222-17](#).
  - (iv) [52.222-26](#), Equal Opportunity (Mar 2007) (E.O. 11246).
  - (v) [52.222-35](#), Equal Opportunity for Veterans (Sep 2010) ([38 U.S.C. 4212](#)).
  - (vi) [52.222-36](#), Affirmative Action for Workers with Disabilities (Oct 2010) ([29 U.S.C. 793](#)).
  - (vii) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause [52.222-40](#).
  - (viii) [52.222-41](#), Service Contract Labor Standards (May 2014) ([41 U.S.C. chapter 67](#)).
  - (ix) [52.222-50](#), Combating Trafficking in Persons (Feb 2009) ([22 U.S.C. 7104\(g\)](#)).  
\_\_\_\_ Alternate I (Aug 2007) of [52.222-50](#) ([22 U.S.C. 7104\(g\)](#)).
  - (x) [52.222-51](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (May 2014) ([41 U.S.C. chapter 67](#)).
  - (xi) [52.222-53](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements (May 2014) ([41 U.S.C. chapter 67](#)).
  - (xii) [52.222-54](#), Employment Eligibility Verification (AUG 2013).
  - (xiii) [52.225-26](#), Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
  - (xiv) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (May 2014) ([42 U.S.C. 1792](#)). Flow down required in accordance with paragraph (e) of FAR clause [52.226-6](#).
  - (xv) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)). Flow down required in accordance with paragraph (d) of FAR clause [52.247-64](#).
- (2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(End of clause)

In accordance with the applicable prescriptions in the FAR, the following clauses (although not checked above as a general matter) shall apply as noted:

52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010) (41 U.S.C. 3509), if the value of the contract is expected to exceed \$5 million and the performance period is 120 days or more.

52.219-8, Utilization of Small Business Concerns (May 2014) (15 U.S.C. 637(d)(2) and (3)), if the contract amount is expected to exceed the simplified acquisition threshold.

52.219-9, Small Business Subcontracting Plan (Jul 2013) (15 U.S.C. 637(d)(4)), if the contract offers subcontracting possibilities, is expected to exceed \$650,000, and includes 52.219-8 above.

C.2.d. 52.204-13 SYSTEM FOR AWARD MANAGEMENT MAINTENANCE (JUL 2013)

(a) Definitions. As used in this clause—

“Data Universal Numbering System (DUNS) number” means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities, which is used as the identification number for Federal contractors.

“Data Universal Numbering System+4 (DUNS+4) number” means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts (see the FAR at subpart 32.11) for the same concern.

“Registered in the System for Award Management (SAM) database” means that—

- (1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, the Contractor and Government Entity (CAGE) code, as well as data required by the Federal Funding Accountability and Transparency Act of 2006 (see Subpart 4.14), into the SAM database;
- (2) The Contractor has completed the Core, Assertions, Representations and Certifications, and Points of Contact sections of the registration in the SAM database;
- (3) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS). The Contractor will be required to provide consent for TIN validation to the Government as a part of the SAM registration process; and
- (4) The Government has marked the record “Active”.

“System for Award Management (SAM)” means the primary Government repository for prospective Federal awardee and Federal awardee information and the centralized Government system for certain contracting, grants, and other assistance-related processes. It includes—

- (1) Data collected from prospective Federal awardees required for the conduct of business with the Government;
- (2) Prospective contractor-submitted annual representations and certifications in accordance with FAR Subpart 4.14; and
- (3) Identification of those parties excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance and benefits.

(b) The Contractor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(c)(1)(i) If a Contractor has legally changed its business name, doing business as name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to--

- (A) Change the name in the SAM database;
- (B) Comply with the requirements of subpart 42.12 of the FAR; and
- (C) Agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor shall provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (c)(1)(i) of this clause, or fails to perform the agreement at paragraph (c)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the SAM information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the SAM record to reflect an assignee for the purpose of assignment of claims (see FAR Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the SAM. Information provided to the Contractor's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(3) The Contractor shall ensure that the DUNS number is maintained with Dun & Bradstreet throughout the life of the contract. The Contractor shall communicate any change to the DUNS number to the Contracting Officer within 30 days after the change, so an appropriate modification can be issued to update the data on the contract. A change in the DUNS number does not necessarily require a novation be accomplished. Dun & Bradstreet may be contacted

- (i) Via the internet at <http://fedgov.dnb.com/webform> or if the contractor does not have internet access, it may call Dun and Bradstreet at 1-866-705-5711 if located within the United States; or
- (ii) If located outside the United States, by contacting the local Dun and Bradstreet office. (d) Contractors may obtain information on registration and annual confirmation requirements at <https://www.acquisition.gov>.

(d) Contractors may obtain information on registration and annual confirmation requirements via the SAM accessed through at <https://www.acquisition.gov> or by calling 866-606-8220, or 334-206-7828 for international calls.

### **C.3 WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT LABOR STANDARDS AND EXECUTIVE ORDER MINIMUM WAGE RATE**

C.3.a. When the contract price is over \$2,500.00, the clause FAR 52.222-41, Service Contract Labor Standards applies to this service contract. See FAR 22.1006(a)(1)(i). The Wage Determination listed below is incorporated into the Contract via this clause:

[INSERT APPLICABLE WAGE DETERMINATION.]

C.3.b. In addition, the clause FAR 52.222-55 -- Minimum Wages Under Executive Order 13658 (Dec 2014), applies to ship disposal service contracts over \$2,500.00 awarded under the services RFQ. Under FAR 52.222-55, the contractor and its subcontractors are required to pay the E.O. minimum wage rate whenever it is higher than the wage rate specified in the above Wage Determination.

#### **52.222-55 MINIMUM WAGES UNDER EXECUTIVE ORDER 13658 (Dec 2014)**

(a) *Definitions.* As used in this clause--

“United States” means the 50 states and the District of Columbia.

“Worker”—

(1) Means any person engaged in performing work on, or in connection with, a contract covered by Executive Order 13658, and

(i) Whose wages under such contract are governed by the Fair Labor Standards Act (29 U.S.C. chapter 8), the Service Contract Labor Standards statute (41 U.S.C. chapter 67), or the Wage Rate Requirements (Construction) statute (40 U.S.C. chapter 31, subchapter IV),

(ii) Other than individuals employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in 29 CFR part 541,

(iii) Regardless of the contractual relationship alleged to exist between the individual and the employer.

(2) Includes workers performing on, or in connection with, the contract whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(c).

(3) Also includes any person working on, or in connection with, the contract and individually registered in a bona fide apprenticeship or training program registered with the Department of Labor's Employment and Training Administration, Office of



Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship.

(b) *Executive Order Minimum Wage rate.*

(1) The Contractor shall pay to workers, while performing in the United States, and performing on, or in connection with, this contract, a minimum hourly wage rate of \$10.10 per hour beginning January 1, 2015.

(2) The Contractor shall adjust the minimum wage paid, if necessary, beginning January 1, 2016 and annually thereafter, to meet the Secretary of Labor's annual E.O. minimum wage. The Administrator of the Department of Labor's Wage and Hour Division (the Administrator) will publish annual determinations in the Federal Register no later than 90 days before the effective date of the new E.O. minimum wage rate. The Administrator will also publish the applicable E.O. minimum wage on [www.wdol.gov](http://www.wdol.gov) (or any successor Web site) and on all wage determinations issued under the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute. The applicable published E.O. minimum wage is incorporated by reference into this contract.

(3)

(i) The Contractor may request a price adjustment only after the effective date of the new annual E.O. minimum wage determination. Prices will be adjusted only if labor costs increase as a result of an increase in the annual E.O. minimum wage, and for associated labor costs and relevant subcontract costs. Associated labor costs shall include increases or decreases that result from changes in social security and unemployment taxes and workers' compensation insurance, but will not otherwise include any amount for general and administrative costs, overhead, or profit.

(ii) Subcontractors may be entitled to adjustments due to the new minimum wage, pursuant to paragraph (b)(2). Contractors shall consider any subcontractor requests for such price adjustment.

(iii) The Contracting Officer will not adjust the contract price under this clause for any costs other than those identified in paragraph (b)(3)(i) of this clause, and will not provide duplicate price adjustments with any price adjustment under clauses implementing the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute.

(4) The Contractor warrants that the prices in this contract do not include allowance for any contingency to cover increased costs for which adjustment is provided under this clause.



(5) A pay period under this clause may not be longer than semi-monthly, but may be shorter to comply with any applicable law or other requirement under this contract establishing a shorter pay period. Workers shall be paid no later than one pay period following the end of the regular pay period in which such wages were earned or accrued.

(6) The Contractor shall pay, unconditionally to each worker, all wages due free and clear without subsequent rebate or kickback. The Contractor may make deductions that reduce a worker's wages below the E.O. minimum wage rate only if done in accordance with 29 CFR 10.23, Deductions.

(7) The Contractor shall not discharge any part of its minimum wage obligation under this clause by furnishing fringe benefits or, with respect to workers whose wages are governed by the Service Contract Labor Standards statute, the cash equivalent thereof.

(8) Nothing in this clause shall excuse the Contractor from compliance with any applicable Federal or State prevailing wage law or any applicable law or municipal ordinance establishing a minimum wage higher than the E.O. minimum wage. However, wage increases under such other laws or municipal ordinances are not subject to price adjustment under this subpart.

(9) The Contractor shall pay the E.O. minimum wage rate whenever it is higher than any applicable collective bargaining agreement(s) wage rate.

(10) The Contractor shall follow the policies and procedures in 29 CFR 10.24(b) and 10.28 for treatment of workers engaged in an occupation in which they customarily and regularly receive more than \$30 a month in tips.

(c)

(1) This clause applies to workers as defined in paragraph (a). As provided in that definition--

(i) Workers are covered regardless of the contractual relationship alleged to exist between the contractor or subcontractor and the worker;

(ii) Workers with disabilities whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(c) are covered; and

(iii) Workers who are registered in a bona fide apprenticeship program or training program registered with the Department of Labor's Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship, are covered.

(2) This clause does not apply to--

(i) Fair Labor Standards Act (FLSA)-covered individuals performing in connection with contracts covered by the E.O., i.e. those individuals who perform duties necessary to the performance of the contract, but who are not directly engaged in performing the specific work called for by the contract, and who spend less than 20 percent of their hours worked in a particular workweek performing in connection with such contracts;

(ii) Individuals exempted from the minimum wage requirements of the FLSA under 29 U.S.C. 213(a) and 214(a) and (b), unless otherwise covered by the Service Contract Labor Standards statute, or the Wage Rate Requirements (Construction) statute. These individuals include but are not limited to--

(A) Learners, apprentices, or messengers whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(a).

(B) Students whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(b).

(C) Those employed in a bona fide executive, administrative, or professional capacity (29 U.S.C. 213(a)(1) and 29 CFR part 541).

(d) *Notice.* The Contractor shall notify all workers performing work on, or in connection with, this contract of the applicable E.O. minimum wage rate under this clause. With respect to workers covered by the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, the Contractor may meet this requirement by posting, in a prominent and accessible place at the worksite, the applicable wage determination under those statutes. With respect to workers whose wages are governed by the FLSA, the Contractor shall post notice, utilizing the poster provided by the Administrator, which can be obtained at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts), in a prominent and accessible place at the worksite. Contractors that customarily post notices to workers electronically may post the notice electronically provided the electronic posting is displayed prominently on any Web site that is maintained by the contractor, whether external or internal, and customarily used for notices to workers about terms and conditions of employment.

(e) *Payroll Records.*

(1) The Contractor shall make and maintain records, for three years after completion of the work, containing the following information for each worker:

(i) Name, address, and social security number;

- (ii) The worker's occupation(s) or classification(s);
- (iii) The rate or rates of wages paid;
- (iv) The number of daily and weekly hours worked by each worker;
- (v) Any deductions made; and
- (vi) Total wages paid.

(2) The Contractor shall make records pursuant to paragraph (e)(1) of this clause available for inspection and transcription by authorized representatives of the Administrator. The Contractor shall also make such records available upon request of the Contracting Officer.

(3) The Contractor shall make a copy of the contract available, as applicable, for inspection or transcription by authorized representatives of the Administrator.

(4) Failure to comply with this paragraph (e) shall be a violation of 29 CFR 10.26 and this contract. Upon direction of the Administrator or upon the Contracting Officer's own action, payment shall be withheld until such time as the noncompliance is corrected.

(5) Nothing in this clause limits or otherwise modifies the Contractor's payroll and recordkeeping obligations, if any, under the Service Contract Labor Standards statute, the Wage Rate Requirements (Construction) statute, the Fair Labor Standards Act, or any other applicable law.

(f) *Access.* The Contractor shall permit authorized representatives of the Administrator to conduct investigations, including interviewing workers at the worksite during normal working hours.

(g) *Withholding.* The Contracting Officer, upon his or her own action or upon written request of the Administrator, will withhold funds or cause funds to be withheld, from the Contractor under this or any other Federal contract with the same Contractor, sufficient to pay workers the full amount of wages required by this clause.

(h) *Disputes.* Department of Labor has set forth in 29 CFR 10.51, Disputes concerning contractor compliance, the procedures for resolving disputes concerning a contractor's compliance with Department of Labor regulations at 29 CFR part 10. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. These disputes include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the Department of Labor, or the workers or their representatives.

(i) *Antiretaliation*. The Contractor shall not discharge or in any other manner discriminate against any worker because such worker has filed any complaint or instituted or caused to be instituted any proceeding under or related to compliance with the E.O. or this clause, or has testified or is about to testify in any such proceeding.

(j) *Subcontractor compliance*. The Contractor is responsible for subcontractor compliance with the requirements of this clause and may be held liable for unpaid wages due subcontractor workers.

(k) *Subcontracts*. The Contractor shall include the substance of this clause, including this paragraph (k) in all subcontracts, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.

(End of clause)

#### **C.4. TITLE CONVEYANCE**

The MARITIME ADMINISTRATION shall retain title to the Obsolete Vessel throughout the towing and disposal of the Obsolete Vessel. However, the risk of loss for the Obsolete Vessel passes to the Contractor upon the Government's delivery and the Contractor's acceptance of said Obsolete Vessel at the specified delivery location, (i.e., government fleet or Shipyard.)

#### **C.5 LIQUIDATED DAMAGES.**

The "Default Fixed Price Supply and Service clause" referenced in the below clause is replaced by paragraph (m) Termination for Cause of PART V.C.6 FAR 52.212-4 Contract Terms and Conditions – Commercial Items, as modified by the Addendum at clause C.6.1.

#### **52.211-11 LIQUIDATED DAMAGES— SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT (SEPT 2000)**

- (a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of \$621 per calendar day of delay.
- (b) If the Government terminates this contract in whole or in part under the Default-Fixed-Price Supply and Service clause, the Contractor is liable for liquidated damages accruing until the Government reasonably obtains delivery or performance of similar supplies or services. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.
- (c) The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Default-Fixed-Price Supply and Service clause in this contract.

## **C.6 ADDITIONAL DAMAGES – SERVICE CONTRACTS.**

If the Government terminates this Contract in whole or in part under paragraph (m) Termination for Cause of FAR 52.212-4, Contract Terms and Conditions - Commercial Items (MAY 2014), the Contractor is liable to the Government for actual damages incurred by the Government. These damages are in addition to excess costs of repurchase and any other damages provided for under the Contract in Subpart V.A. This clause tailors and is in addition to the referenced paragraph (m).

## **C.7. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://acquisition.gov/far/current/html/FARTOCP52.html>

52.228-2—ADDITIONAL BOND SECURITY (OCT 1997).  
52.242-15—STOP-WORK ORDER (AUG 1989).

## **C.8. INTERIM AND PROGRESS PAYMENTS**

- a. Interim Payments for Towing - The Contractor may submit invoices for payments it has made to the subcontractor for towing the vessel to the Contractor's facility. Invoices may be submitted for payment only at the following times:
  - 1) If the towing contract is for an SBRF or NISMF-HI vessel and the towing contract requires partial payments during the tow, the Contractor may submit up to three invoices: upon departure from the fleet; upon arrival of the vessel at the Panama Canal; and after the vessel is delivered at the Contractor's facility; and
  - 2) If the vessel is being towed from the NISMF-PA, JRRF, and BRF vessels, the Contractor may invoice after delivery of the vessel to the Contractor at the Contractor's facility.
- b. Progress payments - Invoices may be submitted not more frequently than monthly and must be accompanied with supporting proof of payment where applicable. Invoices for payment of the percentage of actual work completed by each progressing event (weighted activity) shall clearly indicate on the invoice the title of the specific progressing activity, the progress percentage complete for this invoicing period, the total cumulative progressing percentage complete to date, the amount invoiced for this invoicing period, and the cumulative amount invoiced to date. The Contractor's costs to obtain a performance bond and insurance will not be paid as progress payments under the contract.

- c. Interim and progress payments made under this provision shall not exceed 90% of the contract price.
- d. To be considered for approval, the invoice must contain the following information:
  - 1) Contractor name; contract number; payment request date; signature of the Contractor's authorized official; payment request number; task(s); point of contact; and performance period. The invoice from the subcontractor for towing must be submitted and evidence that the Contractor has paid the subcontractor must be submitted with the invoice. A copy of the towing contract is also required.
  - 2) The payment request must be submitted via [MARADObligations@faa.gov](mailto:MARADObligations@faa.gov) to the office in Oklahoma City indicated in the Contract. The following statement must be included on the bottom of the payment request: "I have reviewed this payment request and hereby certify that the amounts contained are accurate, complete, and just and true in accordance with the terms and conditions of the Contract, and has not been previously requested."
- e. This clause may be modified as payment procedures change.

## C.9 E-VERIFY

If the contract awarded exceeds the simplified acquisition threshold, then the following clause applies:

### 52.222–54 EMPLOYMENT ELIGIBILITY VERIFICATION (AUG 2013)

(a) *Definitions.* As used in this clause—

“Commercially available off-the-shelf (COTS) item”—

(1) Means any item of supply that is—

- (i) A commercial item (as defined in paragraph (1) of the definition at [2.101](#));
- (ii) Sold in substantial quantities in the commercial marketplace; and
- (iii) Offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in [46 U.S.C. 40102\(4\)](#), such as agricultural products and petroleum products. Per 46 CFR 525.1 (c)(2), “bulk cargo” means cargo that is loaded and carried in bulk onboard ship without mark or count, in a loose unpackaged form, having homogenous characteristics. Bulk cargo loaded into intermodal equipment, except LASH or Seabee barges, is subject to mark and count and, therefore, ceases to be bulk cargo.

“Employee assigned to the contract” means an employee who was hired after November 6, 1986 (after November 27, 2009 in the Commonwealth of the Northern Mariana Islands), who is directly performing work, in the United States, under a contract that is required to include the clause prescribed at [22.1803](#). An employee is not considered to be directly performing work under a contract if the employee—

- (1) Normally performs support work, such as indirect or overhead functions; and
- (2) Does not perform any substantial duties applicable to the contract.

“Subcontract” means any contract, as defined in [2.101](#), entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

“Subcontractor” means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime Contractor or another subcontractor.

“United States”, as defined in [8 U.S.C. 1101\(a\)\(38\)](#), means the 50 States, the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

(b) *Enrollment and verification requirements.*

(1) If the Contractor is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall—

(i) *Enroll.* Enroll as a Federal Contractor in the E-Verify program within 30 calendar days of contract award;

(ii) *Verify all new employees.* Within 90 calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); and

(iii) *Verify employees assigned to the contract.* For each employee assigned to the contract, initiate verification within 90 calendar days after date of enrollment or within 30 calendar days of the employee’s assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(2) If the Contractor is enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall use E-Verify to initiate verification of employment eligibility of—

(i) *All new employees.*

(A) *Enrolled 90 calendar days or more.* The Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(B) *Enrolled less than 90 calendar days.* Within 90 calendar days after enrollment as a Federal Contractor in E-Verify, the Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(ii) *Employees assigned to the contract.* For each employee assigned to the contract, the Contractor shall initiate verification within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(3) If the Contractor is an institution of higher education (as defined at [20 U.S.C. 1001\(a\)](#)); a State or local government or the government of a Federally recognized Indian tribe; or a surety performing under a takeover agreement entered into with a Federal agency pursuant

to a performance bond, the Contractor may choose to verify only employees assigned to the contract, whether existing employees or new hires. The Contractor shall follow the applicable verification requirements at (b)(1) or (b)(2) respectively, except that any requirement for verification of new employees applies only to new employees assigned to the contract.

(4) *Option to verify employment eligibility of all employees.* The Contractor may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the contract. The Contractor shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within 180 calendar days of—

- (i) Enrollment in the E-Verify program; or
- (ii) Notification to E-Verify Operations of the Contractor's decision to exercise this option, using the contact information provided in the E-Verify program Memorandum of Understanding (MOU).

(5) The Contractor shall comply, for the period of performance of this contract, with the requirements of the E-Verify program MOU.

(i) The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Contractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Contractor will be referred to a suspension or debarment official.

(ii) During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the Contractor is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Contractor, then the Contractor must reenroll in E-Verify.

(c) *Web site.* Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify>.

(d) *Individuals previously verified.* The Contractor is not required by this clause to perform additional employment verification using E-Verify for any employee—

- (1) Whose employment eligibility was previously verified by the Contractor through the E-Verify program;
- (2) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or
- (3) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12, Policy for a Common Identification Standard for Federal Employees and Contractors.



(e) *Subcontracts*. The Contractor shall include the requirements of this clause, including this paragraph (e) (appropriately modified for identification of the parties), in each subcontract that—

(1) Is for—

(i) Commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or

(ii) Construction;

(2) Has a value of more than \$3,000; and

(3) Includes work performed in the United States.

(End of clause)

#### **C.10. LIMITATION ON MONETARY CLAIMS**

The Contractor agrees, notwithstanding paragraph (d) Disputes of FAR 52.212-4, Contract Terms and Conditions - Commercial Items (MAY 2014), not to submit a written demand seeking the payment of money or an adjustment in contract price except as expressly authorized in the following clauses of the Contract:

- 1) V.A.3.g.6) Monetary Adjustment for Delay in Delivery
- 2) Paragraph (l) Termination for the Government's convenience of FAR 52.212-4, Contract Terms and Conditions – Commercial Items (MAY 2014)

### **C.11. ORDER OF PRECEDENCE**

Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

- a. The Schedule of Services
- b. The Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs in FAR clause 52.212-4 - Contract Terms and Conditions -- Commercial Items (MAY 2014), incorporated by reference at clause C.2.a.
- c. Clause C.2.c., 52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items (MAY 2014).
- d. Clause C.2.b., Addenda to FAR clause 52.212-4 - Contract Terms and Conditions - Commercial Items (MAY 2014)
- e. The remainder of the paragraph in C.2.a, FAR 52.212-4 - Contract Terms and Conditions - Commercial Items (MAY 2014)
- f. The Standard Form 1449.
- g. The remainder of SUBPART V.C. CLAUSES (SHIP DISPOSAL SERVICES CONTRACT ONLY)
- h. SUBPART V.A, CONTRACT CLAUSES AND REQUIREMENTS (APPLICABLE TO SALES AND SERVICE CONTRACTS)
- i. The Contractor's General Technical Proposal, incorporated by reference.

**PART VI**  
**SUPPORTING DOCUMENTS**

This Part VI contains the following information:

Section A	Technical Compliance Plan Requirements
Section B	Contractor Tow Preparation Responsibilities at the NDRF
Section C	USCG Towing Requirements
Section D	Performance Bond Guidelines
Section E	USCG Interim Criteria for Cleaning Hulls on MARAD Vessels Prior to Relocation
Section F(1)	Performance Schedule Milestones – BRF/JRRF Vessels
Section F(2)	Performance Schedule Milestones – NISMF Vessels
Section F(3)	Performance Schedule Milestones – SBRF Vessels
Section G	MARAD Fleet Safety Responsibilities
Section H	Invasive Species State Consent Status
Section I	List of Obsolete Vessels
Section J	Qualified Ship Disposal Facilities
Section K	Sample Ship Disposal Sales Contract
Section L	Sample Ship Disposal Services Contract

## **PART VI, SECTION A**

### **TECHNICAL COMPLIANCE PLAN REQUIREMENTS**

The Offeror shall submit a Technical Compliance Plan (TCP) that consists of the following elements: an Operational Plan, a Business Plan, a Worker Safety and Health Plan, and an Environmental Compliance Plan.

The TCP is the primary basis for the evaluation of:

- the degree to which the Offeror's claims of performance capability are supported;
- the ability of the Offeror to perform in accordance with the contract requirements; and
- the intent to dismantle the vessels domestically, in accordance with all applicable local, state, and federal environmental, safety, and health processes, procedures, laws, regulations, and guidance.

The TCP shall provide sufficient detail to demonstrate a thorough understanding of regulations, production processes, and project management associated with the dismantling of a ship and shall demonstrate that the ship disposal facility uses a valid and practical solution to the technical problems inherent in ship dismantling.

The TCP shall be so detailed, specific, and complete as to enable Government personnel to make a thorough evaluation of the TCP and a sound determination that the Offeror will have a reasonable likelihood of meeting the requirements and objectives of the Government. If accepted, the TCP shall be incorporated as part of the Contract, as an addendum to the statement of work.

The TCP shall demonstrate comprehensive knowledge and understanding of all applicable local, state, and federal environmental, safety, and health processes, procedures, laws, regulations, and guidance, and the operational processes and procedures involved in ship dismantling, as well as a strong commitment to worker health and safety and protection of the environment from the ship disposal facility.

The TCP shall include information and documentation, as necessary, of the methodologies for ensuring compliance with the applicable statutory and regulatory requirements, the achievement of the goals set out in the policy of the company, and the monitoring, evaluation, and continuous improvement of the procedures and standards used in ship disposal operations.

The TCP shall identify the roles and responsibilities, as well as qualifications, for employers and workers when conducting ship disposal operations. The TCP shall include a program for appropriate training of workers for the safe and environmentally sound operation of the ship disposal facility.

The Offeror shall ensure that the required information, as described below, is included in the TCP. The TCP shall be signed, dated, and certified by the appropriate company management. Updates or revisions to the TCP shall be identified and summarized to include section and date of revision.

Attachment 1 contains a sample format for the development and submittal of the TCP. The final TCP can be submitted as an attachment with the offeror's proposal. The plan attachments listed in Attachment 1 must be included in the hard copy of the TCP as separate attachments to the TCP. In addition, such plan attachments must be scanned and included on the CD-ROMS as separate files in Adobe .pdf format. An index of all such plan attachments identifying them by name, type and providing the file name for the document must also be provided.

### OPERATIONAL PLAN

The Operation Plan shall demonstrate the proposed production methods for performing the dismantling of the vessel at the disposal facility. The plan shall include the dismantling process for the vessel such that no considerable part of the ship is left intact or undisturbed to the extent that it can be reconstructed or readily identified as an existing portion of the vessel. Dismantling is defined as reducing the vessel such that it has no value except for its basic material content. The Operational Plan shall describe the entire process of ship disposal including, but not limited to:

- Preparing the ship for tow
- Management, oversight, and emergency response during the tow
- Coordinating the identification, sampling, handling, removal, abatement, transfer, labeling, storage, treatment, transport, and/or disposal of hazardous material and waste
- Integration of hazardous material and waste remediation with superstructure and hull dismantling.

The Operational Plan shall include the following information:

- Preparation of the vessel for tow including required surveys, tow preparations and underwater hull cleaning activities
- securing vessel including mooring, heavy and/or severe weather contingencies, afloat monitoring, stability during dismantling, and flooding and/or sinking prevention methods
- surveys and sampling including, but not limited to, hazardous materials, tank soundings, identification of unknowns, safe and unsafe areas, and gas-free certification
- approach to ship dismantling including the entire process of dismantling a vessel, the integration of hazardous material and waste remediation with the vessel, and a description of the methodology and procedures for identifying and segregating all material to include the procedures to prevent commingling of materials from different vessels
- engineering, technical, production, and management processes including methodologies for hazardous material and waste remediation and vessel disposal
- Methodologies for vessel stabilization while the vessel is being dismantled while afloat, on dry-dock or on a marine railway

- a performance schedule that identifies all tasks required for ship disposal
- a description of the methodologies used to monitor the work, including subcontractors
- a description of the current workforce including a list of the types and frequencies of training received
- a description of how recycled materials and salvageable items are sold and disposed
- physical location including acreage and facility access routes
- a scaled facility drawing showing the principal disposal and vessel berthing areas and a narrative describing the proposed sequence of remediation and dismantling actions
- facility description including facility layout, water depth, accessibility, maintenance and dredging, and a drawing or map
- dismantling area description including all slip, pier, dry-dock, or other areas at the facility where dismantling will occur
- dismantling capacity including number of slips, piers, dry-docks, or other, equipment capabilities, and total estimated ship capacity
- production throughput/capacity including steel, hazardous materials, and recyclables, procedures for material segregation, and processing flow charts
- site-specific permits in effect or obtained prior to the start of ship dismantling, including any lease or authorization from a land owner, port, or other entity granting authorization to use the facility for ship disposal purposes
- confirmation that the facility is operated and maintained in a manner that complies with all applicable federal, state, local, and international laws, treaties, conventions, agreements, regulations, and statutes
- subcontracted operations including specific information on subcontractor responsibilities, teaming and subcontractor relations, subcontractor qualifications and personnel, training and monitoring responsibilities, and approval of subcontractor work plans
- certification and/or verification that all subcontractors (including handlers, transporters, treatment, storage, disposal) hold valid permits, registrations, and/or certificates, as applicable
- security systems and procedures

### BUSINESS PLAN

The Business Plan shall provide information regarding the organizational structure and management policies of the company, an overview of the facility, and the dismantling methodologies related to ship disposal. The Business Plan shall include a narrative that demonstrates a thorough understanding of regulations, production processes, project management, requirements for vessel dismantling in accordance with applicable laws and regulations, and the demonstration of a complete understanding of the true scope of potential problems and risks in ship dismantling.

The Business Plan shall include the following information:

- organization and management structure
- key personnel names, roles, responsibilities, and qualifications and experience
- requisite and relevant experience relating to ship dismantling
- brief description of the facility's environmental, safety, and health management program,

including any Environmental Management System certifications (e.g., ISO), as appropriate

- history of operations including length of time in business; regulatory citations, violations, or fines, and other criminal or administrative penalties or actions related to environmental, safety, and health

The Business Plan shall demonstrate the Offeror's ability to manage costs, personnel, subcontractors, and the facility. The Business Plan shall include a description of the facility's management and organization including names and resumes of all corporate and key personnel. Key Personnel shall have the appropriate level of skill and experience sufficient to accomplish the scope of work. The Offeror shall provide resumes and descriptions of experience including certifications as appropriate for the individuals submitted as Key Personnel.

The Offeror shall provide key management personnel to adequately manage and oversee the below list of ship dismantling functions. Key personnel shall include the following:

- Project Manager - a full-time on-site person responsible for the performance of all work required under this Contract. The Project Manager shall be responsible for submitting status reports in accordance with the reporting requirements contained in the Contract. The Project Manager shall be the primary point of contact with the Government COR and shall be knowledgeable about the activities and status of all aspects of the project. The Project Manager shall be an employee of the Offeror or a subcontractor hired by the Offeror to perform the Project Manager function. At no time shall the Project Manager be an employee of, or subcontractor to, any company hired by the Offeror to perform hazardous waste remediation, disposal and/or ship dismantling activities. The Project Manager shall have decision making authority for all issues related to the remediation of hazardous material/waste and physical dismantling of the vessel and shall be in attendance at all bi-weekly meetings and teleconferences with the Government COR.
- Environmental, Safety & Health Manager - responsible for all environmental, safety, and occupational health matters relating to the ship dismantling contract. The ES&H Manager shall be knowledgeable about the activities and status of all ES&H aspects of the project. The ES&H Manager shall be an employee of the Offeror or a subcontractor hired by the Offeror to perform the ES&H Manager function. At no time shall the ES&H Manager be an employee of, or subcontractor to, any company hired by the Offeror to perform hazardous waste remediation, disposal and/or ship dismantling activities. The ES&H Manager shall be in attendance at all bi-weekly meetings and teleconferences with the Government COR.
- Contracting Official - responsible for all contract administration activities related to the management and oversight of the MARAD ship dismantling contracts. The Contracting Official shall have the authority to negotiate and bind the company with regard to contract actions such as contract modifications, invoices, and official correspondence. The Contracting Official shall be the primary point of contact with the MARAD CO and ACO and shall be knowledgeable about the activities and status of all contractual aspects of the project. The Contracting Official need only participate in those meetings and

teleconferences as requested by MARAD. At no time shall the Contracting Official be an employee of, or subcontractor to, any company hired by the Offeror to perform hazardous material remediation, disposal and/or ship dismantling activities.

The key personnel identified by the Offeror shall remain in their positions for the duration of the contract. Changes to the Key personnel cannot be made without a minimum of 2 weeks notification, submittal of replacement key personnel resumes and MARAD approval.

The Business Plan shall provide evidence of the availability of the proposed disposal facilities for the duration of the contract performance, either by ownership, existing lease, or by letter from the facility owner indicating a statement of intent to utilize such facilities for disposal. The Business Plan shall also include evidence that the site-specific permits are currently in effect or can be obtained prior to the start of ship dismantling or hazardous material/waste remediation or other management procedures.

The Business Plan shall include the following:

- A description of previous uses of the facility over the past 10 years
- A description of disposal activities to be accomplished by the Offeror and those to be subcontracted and a description of the processes and procedures used to monitor the work of all subcontractors
- A description of the security procedures at the disposal facility for the protection of ships and materials

The Business Plan shall include a performance schedule with the following components:

- A single notional performance schedule for a generic vessel incorporating the performance schedule milestones for BRF/JRRF vessels in Part VI, Section F(1) (Offerors may, at their discretion, also submit performance schedules that comply with Part VI, Sections F(2) and Section F(3) as part of their general technical proposal)Planned completion dates and a timeline for each phase of the project
- Identification of which work items are considered on the critical path to completion of the Project
- Identification of the milestone date by which all permits and licenses shall be obtained and in effect
- Identification of all milestones such as the final date of sale of materials that must be accomplished for the completion of the Project

The Business Plan shall describe the approach to management of subcontractor activities to include the following:

- Description of the process and procedures used to monitor the work of all subcontractors, including those performing hazardous material and waste sampling, handling, removal, abatement, transfer, transport, and/or disposal, and ship dismantling and the approach to ensuring the subcontractors comply with all Federal, State, and local laws and regulations.



- Description of the subcontractor services regarding ship dismantling and hazardous material and waste removal

The Business Plan shall include the approach to cost control with the following components:

- Description of approach to maximizing recyclable material sale proceeds.
- Definition of the methodology used to capture cost data to the individual hazardous material/waste, recyclable materials, equipments, components, or materials

NOTE: Offerors' schedules shall utilize the milestone Contract award as the start date for their schedules. Subsequent milestones and events should be tied to this start date. See Part V, A.3 Performance and Performance Monitoring for additional information.

#### WORKER SAFETY & HEALTH PLAN

The Worker Safety & Health section of the TCP shall identify and demonstrate the ship disposal facility's ability to understand and comply with all applicable local, state, and federal worker safety and occupational health processes, procedures, laws, regulations, and guidance. The Worker Safety & Health section of the TCP shall provide a concise description of the disposal facility's plan and procedures for protecting worker health and safety and should demonstrate that the safety and health program supports the level of effort required for ship dismantling.

The Worker Safety Provisions section of the Worker Safety and Health Plan shall include the following information:

- procedures for job hazard assessments to determine the proper approach to maximize worker safety
- procedures for ensuring the availability, maintenance, and use of personal protective equipment and clothing needed for all ship disposal operations
- procedures for ensuring that any worker at the facility has been provided with appropriate training prior to performing any ship disposal operation
- procedures for ensuring that unsafe areas are posted with warning signs and labels in a language that all workers understand, and that all previously designated unsafe areas shall be appropriately tested and/or verified as safe for workers prior to performing any ship disposal operation in that area
- processes and procedures for ensuring that the ship disposal facility will maintain safe conditions, and that safety deficiencies will be frequently evaluated for the need for corrective actions
- procedures for designating one or more competent person who has the appropriate training, knowledge, license, and/or certification to be capable of recognizing and evaluating employee exposure to hazardous substances or to other unsafe conditions and is capable of specifying the necessary protection and precautions to be taken to ensure worker safety

The Operations and Processes section of the Worker Safety and Health Plan shall include the following information:

- Diving Operations - describe diving services to be employed, if any, during ship disposal
- Confined and Enclosed Spaces - procedures for identifying, entering, and working in confined spaces or spaces with dangerous atmospheres
- Welding, Cutting, Grinding, and Heating - procedures for ventilation, personnel monitoring for heavy metals exposure, protection of personnel, training, respiratory protection, torch cutting, permits and inspections (including hotwork certification)
- Drums, Containers, and Pressure Vessels - procedures for transporting, moving, securing, and storing, and the use of torches on or near the vicinity
- Scaffolds, Ladders, Workman Aloft, Other Working Surfaces - use of personnel flotation devices, guarding of deck openings and deck edges, platforms, personal fall arrest systems, guard rails, and access to ships
- Gear and Equipment for Rigging and Material Handling - procedures for testing and inspections of ropes, chains, slings, and hooks, chain-falls, and hoisting and hauling equipment; and a description of crane, machine, mobile equipment, aerial- and man-lift operations and qualifications required of operators
- Housekeeping and Illumination - procedures for work areas, such as aisles, passageways, and temporary flooring openings
- Tool and Equipment Maintenance and Decontamination - procedures for equipment inspection and maintenance, regulatory requirements for third-party inspections, and decontamination procedures and activities
- Health and Sanitation - a description of washing facilities, showers, eating and recreation areas to be used, toilet facilities, and change rooms
- Communication of Hazards - procedures for providing information to employees on potential hazards associated with the job
- Personal Protective Equipment - information on procedures and equipment used for the protection of employees from various risks associated with ship disposal (to include a job hazard analysis to determine the required personal protective equipment; respiratory protective equipment; personal protective clothing; and a hearing conservation program)
- Emergency Preparedness and Response - information on emergency escape routes, procedures to account for employees during evacuations, alarm systems, weather plans, rescue and medical duties, first aid and treatment of injured personnel, and training procedures. The Offeror shall certify and/or verify that the facility has developed, implemented, and maintains an Emergency Preparedness and Response Plan.
- Fire Prevention and Protection - procedures for fire watch, raising alarm, fire hazards, fire extinguishers, hose lines, water supply, fire-fighting equipment, training, proper handling and storage procedures, and identification of potential ignition sources. The Offeror shall certify and/or verify that the facility has developed, implemented, and maintains a Fire Prevention and Response Plan.
- Worker Exposure and Medical Monitoring - procedures to be used for job hazard analysis, medical surveillance, exposure monitoring, and training

The Worker Safety & Health section of the TCP shall describe the ship disposal facility's procedures for the prevention of accidents and shall include the following:

- preventing explosions and other unsafe conditions by establishing procedures for ensuring safe for hot-work conditions are verified by a competent person throughout the ship disposal process
- ensuring safe entry procedures for confined and/or enclosed spaces by monitoring atmospheric conditions throughout the ship disposal process
- preventing other accidents causing, or with the potential to cause, damage to human health and the environment
- preventing spills and releases of hazardous materials which may cause harm to human health and/or the environment

The Worker Safety & Health Plan shall describe training and safety programs that have been established, are in effect, and procedures for documentation of applicable training. The ship disposal facility shall ensure that the implemented training programs:

- include the appropriate training for job tasks and operations performed by the employee ensuring they are conducted by competent persons, who have identified specific training needs for individual workers by conducting a job hazard assessment provides for initial and refresher training at appropriate intervals
- are presented in a manner that can be perceived and understood by all workers
- are documented and records are maintained at the ship disposal facility

#### ENVIRONMENTAL COMPLIANCE PLAN

The Environmental Compliance Plan section of the TCP shall identify and demonstrate the ship disposal facility's ability to understand and comply with all applicable local, state, and federal environmental processes, procedures, laws, regulations, and guidance. The processes and procedures shall describe the interface with ship dismantling activities and the sequencing of these processes in the overall dismantling performance schedule.

The Environmental Compliance Plan section of the TCP shall demonstrate that the ship disposal facility:

- understands the environmental risks associated with ship disposal
- understands and implements the environmental requirements imposed by applicable laws and regulations
- can manage and dispose of all the materials used in the structure of the ship, its equipment and/or on board the ship in an environmentally sound manner
- implements controls to protect the environment, which include handling and disposing of the hazardous materials including spill prevention control and counter measures plan and a storm water pollution prevention plan. For domestic proposals the Offeror shall certify and/or verify that the facility has developed, implemented and maintains a Spill Prevention, Control and Countermeasures Plan and a Stormwater Pollution Prevention Plan. For foreign proposals the Offeror shall certify and/or verify that the facility has developed, implemented and maintains a similar Pollution Prevention Plan.

The Environmental Compliance Plan section of the TCP shall identify all authorizations, permits, certificates, approvals, registrations, notifications, plans and/or licenses required by applicable federal, state, and local environmental agencies and issued to the disposal facility to carry out the work, including those required for the management of hazardous materials.

The Environmental Compliance Plan shall identify all entities to be involved with the hazardous materials management process, including subcontractors involved with disposal operations at the site, and those who test, transport, and provide the ultimate disposal location and methodologies. Verification of licenses, approvals, permits, insurance, certifications, and the use of appropriately trained and experience personnel of the subcontractors shall be included.

The Hazardous Materials Management section of the Environmental Compliance Plan shall demonstrate how the facility will ensure safe and environmentally sound management of all hazardous materials and wastes removed from a ship recycled at the facility. The Hazardous Materials Management section of the Environmental Compliance Plan shall include the following information:

- procedures for identification of potentially regulated material
- a description of the procedures and methodology for sampling (including presumptions) for determination of the presence of hazardous materials.
- a description of procedures for managing potentially hazardous materials
- a description of possible locations of all hazardous materials
- a description of process control procedures and abatement methodologies
- a description of procedures for the removal, labeling, storage, segregation, transport, treatment, and disposal of all hazardous materials; and the interface of hazardous materials removal with ship dismantling activities
- a description of procedures for the off-loading of fuels and other liquids
- a description of procedures for clean water discharges
- the identification of all hazardous materials and waste management disposal sites and tracking procedures to their final destination
- a description of procedures for segregating materials and equipment

The Environmental Compliance Plan section of the TCP shall include a statement of determination whether the facility, any parent companies, subsidiaries, or affiliates or proposed subcontractors within the past five years, has received from any federal, state or local regulatory authority or foreign government, any of the following:

- notices of violations;
- fines or proposed fines;
- convictions;
- citations; or
- has been or currently is the subject of any judicial or administrative proceeding related to the violation or alleged violation of any applicable law related to environmental compliance.

**ATTACHMENT 1**  
**SAMPLE TCP FORMAT**

COVER PAGE  
TCP REVISIONS PAGE  
TABLE OF CONTENTS

- 1.0 OPERATIONAL PLAN
  - 1.1 Company Information
    - 1.1.1 Key Personnel
    - 1.1.2 ESH Management Program and Policy Statement
  - 1.2 Facility Information
    - 1.2.1 Layout
    - 1.2.2 Infrastructure
    - 1.2.3 Equipment
  - 1.3 Vessel Pre-Arrival Management
    - 1.3.1 Towing Operations
    - 1.3.2 Vessel Afloat Monitoring Procedures
  - 1.4 Vessel Arrival Management
    - 1.4.1 Mooring
    - 1.4.2 Stability and Flood Prevention
    - 1.4.3 Security Measures
    - 1.4.4 Severe Weather Measures
  - 1.5 Ship Dismantling Methodology
    - 1.5.1 Initial Survey and Evaluation
    - 1.5.2 Stability and Afloat Monitoring Procedures
    - 1.5.3 Cutting Operations and Gas Free for Hot Works Procedures
    - 1.5.4 Production Flow and Segregation of Materials
    - 1.5.5 Final Hull Dismantling
  - 1.6 Workforce and Training Program
  - 1.7 Subcontractor Management
  - 1.8 Records Management
- 2.0 BUSINESS PLAN
  - 1.1 Organization and Management
    - 1.1.1 Key Personnel
    - 1.1.2 Personnel and Subcontractor Management
  - 1.2 Facility Information
    - 1.2.1 Permits, Licenses, Certifications
    - 1.2.2 Previous Facility Use
    - 1.2.3 Dismantling Operations, Capability and Approach
    - 1.2.4 Security Measures
  - 1.3 Performance Schedule and Milestones
  - 1.4 Approach to Cost Control

- 1.4.1 Approach to Maximizing Scrap Sale Proceeds
- 1.5 Past Performance
- 3.0 WORKER SAFETY & HEALTH COMPLIANCE PLAN
  - 3.1 Regulatory Framework and Compliance Procedures
    - 3.1.1 Statement of Determination
    - 3.1.2 Key Safety and Health Personnel
    - 3.1.3 Job Hazard Assessment
    - 3.1.4 Safety and Health Training
    - 3.1.5 Personnel and Subcontractor Management
    - 3.1.6 Incident/Accident Reporting Procedures
    - 3.1.7 Substance Abuse Policies
  - 3.2 Operations and Processes
    - 3.2.1 Diving Operations
    - 3.2.2 Confined and Enclosed Spaces
    - 3.2.3 Welding, Cutting, Grinding, and Heating
      - 3.2.3.1 Gas Free for Hot Works Program
    - 3.2.4 Drums, Containers, and Pressure Vessels
    - 3.2.5 Scaffolds, Ladders, Workman Aloft, Other Working Surfaces
      - 3.2.5.1 Fall Protection Program
    - 3.2.6 Gear and Equipment for Rigging and Material Handling
    - 3.2.7 Housekeeping and Illumination
    - 3.2.8 Tool and Equipment Maintenance and Decontamination
      - 3.2.8.1 Lock Out/Tag Out Program
    - 3.2.9 Health and Sanitation
    - 3.2.10 Communication of Hazards
      - 3.2.10.1 Signage
    - 3.2.11 Personal Protective Equipment
      - 3.2.11.1 Respiratory Protection Program
      - 3.2.11.2 Hearing Conservation Program
    - 3.2.12 Emergency Preparedness and Response
    - 3.2.13 Fire Prevention and Protection
    - 3.2.14 Worker Exposure and Medical Monitoring
      - 3.2.14.1 Asbestos Program
      - 3.2.14.2 Lead and Other Heavy Metals Program
      - 3.2.14.3 Blood Borne Pathogens
  - 3.3 Prevention of Accidents
    - 3.3.1 Gas Free for Hot Works
    - 3.3.2 Safe Entry Procedures
    - 3.3.3 Accident Prevention Procedures
    - 3.3.4 Pollution Prevention Procedures
  - 3.4 Emergency Preparedness and Response Plan
  - 3.5 Fire Prevention and Response Plan

#### 4.0 ENVIRONMENTAL COMPLIANCE PLAN

##### 4.1 Regulatory Framework and Compliance Procedures

- 4.1.1 Statement of Determination
- 4.1.2 Key Environmental Personnel
- 4.1.3 Environmental Training
- 4.1.4 Permits, Licenses, Certifications
- 4.1.5 Personnel and Subcontractor Management
- 4.1.6 Incident and Spills Reporting Procedures

##### 4.2 Hazardous Materials Management

###### 4.2.1 Asbestos

- 4.2.1.1 Identification and Integration with dismantling
- 4.2.1.2 Potential On-board locations
- 4.2.1.3 Sampling and Analysis, protocols and test methods
- 4.2.1.4 Handling, Removal, Remediation
- 4.2.1.5 Storage and Labeling
- 4.2.1.6 Treatment, Transportation, Disposal

###### 4.2.2 PCBs

- 4.2.2.1 Identification and Integration with dismantling
- 4.2.2.2 Potential On-board locations
- 4.2.2.3 Sampling and Analysis, protocols and test methods
- 4.2.2.4 Handling, Removal, Remediation
- 4.2.2.5 Storage and Labeling
- 4.2.2.6 Treatment, Transportation, Disposal

###### 4.2.3 Fuels and Oils

- 4.2.3.1 Identification and Integration with dismantling
- 4.2.3.2 Potential On-board locations
- 4.2.3.3 Sampling and Analysis, protocols and test methods
- 4.2.3.4 Handling, Removal, Remediation
- 4.2.3.5 Storage and Labeling
- 4.2.3.6 Treatment, Transportation, Disposal

###### 4.2.4 Bilge/Ballast Water

- 4.2.4.1 Identification and Integration with dismantling
- 4.2.4.2 Potential On-board locations
- 4.2.4.3 Sampling and Analysis, protocols and test methods
- 4.2.4.4 Handling, Removal, Remediation
- 4.2.4.5 Storage and Labeling
- 4.2.4.6 Treatment, Transportation, Disposal

###### 4.2.5 Heavy Metals

- 4.2.5.1 Identification and Integration with dismantling
- 4.2.5.2 Potential On-board locations
- 4.2.5.3 Sampling and Analysis, protocols and test methods
- 4.2.5.4 Handling, Removal, Remediation
- 4.2.5.5 Storage and Labeling
- 4.2.5.6 Treatment, Transportation, Disposal

- 4.2.6 Paints and Coatings
  - 4.2.6.1 Identification and Integration with dismantling
  - 4.2.6.2 Potential On-board locations
  - 4.2.6.3 Sampling and Analysis, protocols and test methods
  - 4.2.6.4 Handling, Removal, Remediation
  - 4.2.6.5 Storage and Labeling
  - 4.2.6.6 Treatment, Transportation, Disposal
- 4.2.7 Waste Water/Sludge
  - 4.2.7.1 Identification and Integration with dismantling
  - 4.2.7.2 Potential On-board locations
  - 4.2.7.3 Sampling and Analysis, protocols and test methods
  - 4.2.7.4 Handling, Removal, Remediation
  - 4.2.7.5 Storage and Labeling
  - 4.2.7.6 Treatment, Transportation, Disposal
- 4.2.8 Ozone Depleting Substances
  - 4.2.8.1 Identification and Integration with dismantling
  - 4.2.8.2 Potential On-board locations
  - 4.2.8.3 Sampling and Analysis, protocols and test methods
  - 4.2.8.4 Handling, Removal, Remediation
  - 4.2.8.5 Storage and Labeling
  - 4.2.8.6 Treatment, Transportation, Disposal
- 4.2.9 Other Materials
  - 4.2.9.1 Identification and Integration with dismantling
  - 4.2.9.2 Potential On-board locations
  - 4.2.9.3 Sampling and Analysis, protocols and test methods
  - 4.2.9.4 Handling, Removal, Remediation
  - 4.2.9.5 Storage and Labeling
  - 4.2.9.6 Treatment, Transportation, Disposal
- 4.3 Spill Prevention, Control, and Countermeasures Plan
- 4.4 Storm Water Pollution Prevention Plan

Plan Attachments

Performance Schedule

Scaled Facility Layout

Flow Diagrams

Permits, Licenses, Certifications

Resumes

The plan attachments listed above must be included in the hard copy of the TCP as separate attachments to the TCP. In addition, such plan attachments must be scanned and included on the CD-ROMS as separate files in Adobe .pdf format. An index of all such plan attachments identifying them by name, type and providing the file name for the document must also be provided.



## **PART VI, SECTION B**

### **CONTRACTOR TOW PREPARATION RESPONSIBILITIES AT THE NDRF**

Provide and/or Install as indicated:

1. Schedule Ship movements — Fleet and Contractor (only on Tuesdays, Wednesdays, Thursdays — not weekdays before or after Federal holidays or on published fleet “black-out” days)
2. Sounding of tank liquids — Fleet
3. Tank sounding verification — Contractor
4. Internal tank surveys — Contractor
5. Ballasting for tow and adjust mooring lines while ballasting — Contractor
6. All regulatory and insurance requirements documents — Contractor
7. Contingency response plans and equipment for beyond Fleet boundary — Contractor
8. Towing equipment for the intended tow — Contractor
9. Secure loose items for sea — Contractor
10. Removal of Government equipment/material — Fleet
11. Safety, support escorts and power — Fleet (unpowered rows may need contractor supplied generators)
12. Shaft and rudder locks — Fleet/Contractor (Fleet provides if locks are readily available and preinstalled, Contractor provides if locks are not readily available)
13. Disconnecting from moorings — Fleet
14. Housing anchors — Fleet (anchor availability is not guaranteed - Fleets reserve the right to keep one of two bower anchors with its complement of chain; sometimes the ability to retrieve anchors is not possible because of faulty windlasses or other reasons.)
15. Fleet crane support — Fleet (Fleet crane availability is not guaranteed; it’s best to state the need in the original schedule; verify the request with a minimum of 24 hours advanced notice)
16. Ten (10) line handlers for departure assistance and re-securing row — Contractor
17. Assist tugs — Contractor (the number and time needed as necessary to open row, remove ship from row to anchorage boundary and close row)

#### Responsible Parties:

Contractor — is the ship disposal contractor and any of its subcontractors.

Fleet — is the fleet anchorage organization as supported by its region office.

## **PART VI, SECTION C**

### **USCG Towing Requirements**

Currently the known U.S. Coast Guard (USCG) requirements for towing obsolete vessels from the Marine Safety Office at the Hampton Roads area include those listed below. The requirements may be different for other USCG Marine Safety Offices. These requirements are subject to change by the USCG without notice and may be project specific. MARAD does not guarantee that these are all the requirements the USCG may require. The responsibility for determining the exact USCG towing requirements rests with the Contractor.

1. Completion of the standard Dead-Ship Proposal Form including tank lay-out with hazardous material type, amount and location on board. A liquid loading report will be provided by MARAD. Completion of the standard Tug Escort Proposal Form.
2. Comprehensive discussion of pilotage and docking issues: specifically who will have operational control of the evolution during all phases of transit and where those persons will be stationed. (The USCG may require this plan to be in writing)
3. Complete description of the proposed towing configurations through all phases of the transit.
4. A spill contingency plan including 24 hour contact information for a qualified individual and a description of pre-positioned spill response equipment.
5. Discussions of weather conditions and operational limitations.
6. The number of individuals who will remain on the towed vessels during the evolution.
7. The names and official numbers of any foreign flagged vessels involved in the operation.
8. A communication plan and/or schedule
9. A timeline of events for the overall operation.
10. Vessel evaluation for the issuance of an International Loadline Exemption Certificate. This certificate is based on a current material condition survey of each vessel. The survey shall be delivered to the assigned Marine Inspector for review prior to the issuance of the certificate, if necessary. A possibility exists that the Marine Inspector may require a Marine Chemist Certificate declaring a space “safe for entry” if the inspector determines that access to a confined space is necessary during the examination.

## **PART VI, SECTION D**

### **Performance Bond Guidelines**

#### **Performance Bonds:**

The bond ranges shown in the attached table are based on the estimated costs to the government to complete vessel disposal in a situation of contract default. That cost is adjusted based on a risk assessment of the likelihood of default, which considers the past performance of a specific contractor. Other factors that are considered in determining the bond amount includes the proximity to other contractors that could complete the work in the case of default and the contractors proposed period of performance. As market and other factors change with time, the bond amounts on the attached table may be adjusted according. When submitting sales bids or price revisions offerors should compare their proposed vessel performance period to the performance period ranges in the bonding plan chart. Offerors should submit their bid utilizing the highest performance bond amount in the range that corresponds to their proposed vessel performance period.

**Performance Bond Guidelines for Individual Vessel Disposal Contracts  
Based on the Length of the Project Period of Performance**

<b>For Contractors that <u>HAVE</u> had previous acceptable MARAD vessel disposal experience</b>		
Sales Contracts and Fee-For-Service Contracts		
	Single Vessel Performance Period *	Bond Amount Range **
	<15 months	\$150,000 - \$249,999
	15 – 20 months	\$250,000 - \$499,999
	>20 months***	\$500,000 - \$1,000,000
<b>For Contractors that <u>HAVE NOT</u> had previous acceptable MARAD vessel disposal experience</b>		
Sales Contracts and Fee-For-Service Contracts		
	Single Vessel Performance Period *	Bond Amount
	<12 months	\$500,000
	12 – 18 months	\$650,000
	18 – 20 months	\$800,000
	>20 months***	\$1,000,000 - \$1,500,000

**Proposed single vessel periods of performance greater than 20 months will not be accepted with price revisions and will be considered as non-responsive. See \*\*\*Note below for single ship periods of performance that exceed 20 months after contract award.**

\* The single vessel period of performance as indicated on the contractor's integrated performance schedule as submitted during vessel solicitations and contractually agreed to at time of contract award.

\*\* The exact bond amount will be determined upon contract award and will be based upon an assessment of the contractor's past performance and current capability. In accepting the award of the contract, the successful bidder/contractor will be accepting the Maritime Administration's determination of the performance bond amount. In this usage "the contractor" is defined as the apparent best value bidder for sales bids and fee-for-service contracts. The potential costs of completing the contract work will be taken into consideration in calculating the performance bond amount i.e. costs of towing, availability of other contractors in that geographic area, etc.

For any vessel performance period that extends beyond the performance periods indicated in the above table, the contractor shall be required to increase the performance bond for each vessel to the next performance bond level. Conversely, if the schedule completion date can be confirmed, for two consecutive reporting periods, as completing prior to the performance periods indicated in the above table then the contractor shall be eligible for a reduction in the performance bond to the next lowest bonding level. Failure to post the increased bond amount will be considered a performance failure and the existing bond will be collected by the Maritime Administration. The failure will also be considered in the past performance assessment for subsequent contract awards.

New offerors are required to satisfactorily complete one vessel disposal project with MARAD in the last three years before they can be considered as having vessel disposal experience.

\*\*\* NOTE: After contract award, when any combination of existing or new vessel disposal awards, whether via sales bids and/or price revisions, results in the submittal of an integrated performance schedule that contains single ship performance periods beyond 20 months, an appropriate increase in bonding will be applied between the ranges indicated in the table above. The bond amount will increase in \$100,000 increments for every two months the

period of performance goes beyond 20 months with a cap of \$1,000,000 for contractors with previous vessel disposal experience and a \$1,500,000 cap for contractors without previous vessel disposal experience. Failure to post the increased bond amount will be considered a performance failure and the existing bond will be collected by the Maritime Administration. The failure will also be considered in the past performance assessment determining subsequent contract awards.

## **PART VI, SECTION E**

### **USCG INTERIM CRITERIA FOR CLEANING HULLS OF MARAD VESSELS PRIOR TO RELOCATION**

USCG Interim Criteria for Cleaning Hulls of MARAD Vessels Prior to Relocation 27 June 2006

#### **A. BACKGROUND AND PURPOSE**

A.1. Coast Guard regulations intended to reduce the transport and introduction of non-indigenous organisms via fouling of ships' surfaces are described in 33 CFR Part 151, Subpart D, section 151.2050 (e) & (f).

A.2. Maritime Administration (MARAD) vessels that are intended to be disposed of through dismantling, reefing, or deep-sea disposal have often been laid up for considerable periods of time, with little or no hull maintenance or cleaning, which may result in hull fouling.

A.3. Movement of vessels with heavily fouled hulls between geographic locations constitutes a risk of introducing associated organisms to marine and estuarine habitats in U.S. waters where they do not naturally occur.

A.4. MARAD is developing a comprehensive programmatic approach, in coordination with the Coast Guard, for minimizing the risks of translocating non-indigenous organisms when vessels must be moved for disposal.

A.5. While the Programmatic Plan in (A.4) is being prepared, an interim approach to meeting the requirements of 33 CFR § 151.2050(e) & (f) is required for uniform and consistent application to all obsolete MARAD vessels moved for disposal.

A.6. These Criteria are intended to provide such consistent guidance for Coast Guard and MARAD personnel relative to actions taken to bring MARAD vessels into compliance with 33 CFR § 151.2050.

A.7. Actions and criteria may be added or modified over time, as appropriate and necessary.

#### **B. DEFINED ACTIONS**

B.1. Hull Cleaning - the removal of biological fouling of the underwater hull, appendages, and openings of vessels by mechanical means using brushes, scrapers and similar tools. The purpose of underwater hull cleaning prior to relocation for disposal is to remove excessive biological fouling that has developed over long lay-up periods with little or no regular hull cleaning. The underwater cleaning process, therefore, should remove as much of the accumulated biological fouling as possible. However, given the poor condition of the hulls of some of the obsolete MARAD vessels slated for disposal, and the need to minimize the release of paint/coating residues, it is recognized that the cleaning operation will not remove all of the "hard" fouling. As an interim measure, it is expected that hull cleaning will be conducted in-water prior to the movement of the vessel.

B.2. Full Cleaning - the cleaning of the entire underwater hull surface (i.e. painted surfaces), appendages, including propellers and shafts, and openings.

B.3. Partial Cleaning - only discrete sections of the hull (e.g., forward one-third or forward two-thirds of the hull), appendages (e.g., rudders, sonar dome, fin stabilizers), and systems (e.g., masker air, hull openings) are cleaned. Partial cleanings may be conducted because the

extent and distribution of fouling before movement of the vessel is not uniformly distributed over the entire hull or access for cleaning of the entire underwater hull is limited due to restrictive water depth or visibility. Under such a circumstances, partial cleanings are a viable alternative to cleaning the entire hull and all the underwater components, but must be based on a vessel specific assessment that clearly documents the appropriateness of a partial cleaning.

#### C. PROCEDURES AND EQUIPMENT

C.1. In-water cleaning will be conducted by certified professional divers utilizing hand-held or self-propelled rotary brush equipment, water jets, hydrolance equipment, or other similar industry-recognized equipment.

C.2. Cleaning techniques are to be used that minimize removal and release of paints and other coatings, or damage to the physical integrity of the hull.

C.3. In-water hull cleaning will be conducted in accordance with all applicable Federal, State and Local regulations and requirements.

C.4. Pre-cleaning inspections by the divers will document the abundance, extent, and type of fouling. This information will be used to select the appropriate cleaning methods and equipment.

C.5. Post-cleaning inspections by the divers will document the degree to which the fouling has been removed. At minimum, cleaning will remove all visible soft fouling recognizable as plants or animals. It is recognized that cleaning will not necessarily remove all hard (calcareous) fouling such as barnacles, mussels, calcareous tube worms, etc. However, selection of the cleaning equipment should be conducted so as to remove as much biological fouling as possible, taking into consideration the constraints posed by (C.2).

C.6. Underwater color still or video photography will be used to document the nature of the fouling present before and after the cleaning. Where water clarity is poor, a clear-water housing will be used to provide a clear image of the hull and associated fouling.

Representative images for before and after cleaning conditions will be included in the inspection documentation, for at least the following areas:

- a. forward, mid and aft 1/3 sections of the vessel length, distributed to include near surface, mid-depth, and keel.
- b. shaft, skeg, and rudder
- c. hull penetrations, including areas around sea chests

C.7. The lead diver or other responsible person associated with the divers will verify by signature that the pre- and post-cleaning inspection reports are accurate. Standard hull inspection data/report forms should be developed/used by MARAD for this purpose.

C.8. A responsible MARAD party will sign and validate a document certifying that the hull inspection and cleaning activities were carried out.

C.9. The diving team must maintain a daily log of the inspection and cleaning operations, to include:

- a. Diver and Company Names
- b. Cleaning operation dates and hours
- c. Ship name
- d. Type of cleaning
- e. Type and quantity of personnel and equipment on scene

- f. Notes on diving conditions, factors affecting the inspection and cleaning activities, and any other appropriate observations.

**D. DOCUMENTATION**

D.1. The following documentation will be submitted to the Coast Guard in conjunction with requests for approval of dead ship tow plans:

- a. Inspection and Cleaning Report, signed by the lead diver and a responsible MARAD representative, to include:
  - a. Pre- (C.4) and post-cleaning (C.5) inspection reports signed by the lead diver
  - b. Concise technical description of cleaning operations performed.
  - c. Copies of Daily Dive Team logs (C.9), signed by the lead diver and a representative of MARAD



## PART VI, SECTION F(1)

### PERFORMANCE SCHEDULE MILESTONES – BRF/JRRF VESSELS

The Contractor shall incorporate into the performance schedule the following major Contract milestones and required due dates as listed.

Milestone	Due Date
1. Contract Award	Contract Award Date
2. Deliver Sub-Contractor Listing	3 days after Contract Award Date
3. Deliver Key Personnel Roster	3 days after Contract Award Date
4. Deliver Certificates of Company Insurance	5 days after Contract Award Date
5. Deliver Cert of Asbestos Abatement Liability	5 days after Contract Award Date
6. Deliver Initial Integrated Performance Schedule	7 days after Contract Award Date
7. Deliver Performance Bond	10 days after Contract Award Date
8. Deliver Tug Safety Management Certificate	10 days after Contract Award Date
9. Issuance of Notice to Proceed	After Acceptance of Insurance and Performance Bond Not Later than 10 days after Contract Award Date
10. Deliver Emergency Response Oil Spill Notification POC	10 days after Contract Award Date
11. Deliver 1 <sup>st</sup> Bi-Weekly Status Report	14 days after Contract Award Date
12. Deliver Surveyor's Trip in Tow Recommendation Report	Not later than 5 days after NTP
13. Deliver Towers Insurance	Not later than 7 days before vessel departure from the Fleet
14. Deliver Liquid Load/Ballast Plan	Not later than 7 days prior to tow
15. Issuance of Acceptance of Towing Insurance	Not later than 5 days prior to tow
16. Deliver Pollution-Sudden and Accidental Liability Insurance	Not later than 3 days before vessel departure from the Fleet
17. Deliver Vessel Afloat Monitoring Plan	10 days after Contract Award, but not later than 3 days prior to the vessel departure from the Fleet
18. Begin Underwater Hull Cleaning	TBD by Contactor performance schedule
19. Complete Underwater Hull Cleaning	TBD by Contactor performance schedule
20. Deliver in-water Hull Cleaning Divers Report	Prior to departure of the vessel from the Fleet
21. Deliver USCG Load Line Exemption and Order for Departure	Prior to departure of the vessel from the Fleet
22. Remove Vessel from Fleet	3-5 days after completion of the underwater hull cleaning AND NLT 14 days after completion of the underwater hull cleaning
23. Deliver Pre-Arrival/Arrival Reports	4 days after vessel arrival
24. Deliver Hazardous Materials/Wastes Inventory/Contractor's estimate	10 days after vessel arrival
25. Deliver Tank Content Verification Report	10 days after vessel arrival
26. Deliver Validation of Contractor HM/HW Estimates by Sampling and Analytical Results	20 days after vessel arrival

27. Complete PCB Abatement	TBD by Contractor performance schedule
28. Complete Asbestos Abatement	TBD by Contractor performance schedule
29. Complete all Hazmat Remediation	TBD by Contractor performance schedule
30. Begin Vessel Dismantling	TBD by Contractor performance schedule
31. Remove Last Structural Piece from Slip	TBD by Contractor performance schedule
32. Complete Vessel Dismantling	TBD by Contractor performance schedule
33. Complete Material Sales and Recycling <sup>29</sup>	30 days after removal of the last structural piece from the slip
34. Complete Facility Cleaning and Restoration	30 days after removal of the last structural piece from the slip
35. Deliver Certificate of Destruction	30 days after removal of the last structural piece from the slip
36. Deliver Final Close-Out Report	30 days after removal of the last structural piece from the slip
37. Contract Completion	Acceptance of Final Close-Out Report

---

<sup>29</sup> Under V.A.3.f.1), a Contractor may retain certain recyclable materials indefinitely after the 30 calendar day period upon notice to MARAD and inclusion of the estimated revenue of such stock piled materials in the Final Close-Out Report.

## PART VI, SECTION F(2)

### PERFORMANCE SCHEDULE MILESTONES – NISMF VESSELS

The Contractor shall incorporate into the performance schedule the following major Contract milestones and required due dates as listed.

Milestone	Due Date
1. Contract Award	Contract Award Date
2. Deliver Sub-Contractor Listing	3 days after Contract Award Date
3. Deliver Key Personnel Roster	3 days after Contract Award Date
4. Deliver Certificates of Company Insurance	5 days after Contract Award Date
5. Deliver Cert of Asbestos Abatement Liability	5 days after Contract Award Date
6. Deliver Initial Integrated Performance Schedule	7 days after Contract Award Date
7. Deliver Performance Bond	10 days after Contract Award Date
8. Deliver Tug Safety Management Certificate	10 days after Contract Award Date
9. Issuance of Notice to Proceed	After Acceptance of Insurance and Performance Bond Not Later than 10 days after Contract Award Date
10. Deliver Emergency Response Oil Spill Notification POC	10 days after Contract Award Date
11. Deliver 1st Bi-Weekly Status Report	14 days after Contract Award Date
12. Deliver Surveyor's Trip in Tow Recommendation Report	Not later than 5 days after NTP
13. Deliver Towers Insurance	Not later than 7 days before vessel departure from the Fleet
14. Deliver Liquid Load/Ballast Plan	Not later than 7 days prior to tow
15. Issuance of Acceptance of Towing Insurance	Not later than 5 days prior to tow
16. Deliver Pollution-Sudden and Accidental Liability Insurance	Not later than 3 days before vessel departure from the Fleet
17. Deliver Vessel Afloat Monitoring Plan	10 days after Contract Award, but not later than 3 days prior to the vessel departure from the Fleet
17. Begin Underwater Hull Cleaning	TBD by Navy Contactor Availability
18. Complete Underwater Hull Cleaning	TBD by Navy Contactor Availability
19. Begin Period of Performance	1 Day After Underwater Hull Completion
20. Deliver USCG Load Line Exemption and Order for Departure	Prior to departure of the vessel from the Fleet
21. Remove vessel from NISMF	3-5 days after completion of underwater hull cleaning but NLT 14 days after completion of underwater hull cleaning
22. Deliver Pre-Arrival/Arrival Reports	4 days after vessel arrival
23. Deliver Tank Content Verification Report	10 days after vessel arrival
24. Deliver Validation of Contractor HM/HW Estimates by Sampling and Analytical Results	20 days after vessel arrival
25. Complete PCB Abatement	TBD by Contractor performance schedule
26. Complete Asbestos Abatement	TBD by Contractor performance schedule

27. Complete all Hazmat Remediation	TBD by Contractor performance schedule
28. Begin Vessel Dismantling	TBD by Contractor performance schedule
29. Remove Last Structural Piece from Slip	TBD by Contractor performance schedule
30. Complete Vessel Dismantling	TBD by Contractor performance schedule
31. Complete Material Sales and Recycling <sup>30</sup>	30 days after removal of the last structural piece from the slip
32. Complete Facility Cleaning and Restoration	30 days after removal of the last structural piece from the slip
33. Deliver Certificate of Destruction	30 days after removal of the last structural piece from the slip
34. Deliver Final Close-Out Report	30 days after removal of the last structural piece from the slip
35. Contract Completion	Acceptance of Final Close-Out Report

---

<sup>30</sup> Under V.A.3.f.1), a Contractor may retain certain recyclable materials indefinitely after the 30 calendar day period upon notice to MARAD and inclusion of the estimated revenue of such stock piled materials in the Final Close-Out Report.

## PART VI, SECTION F(3)

### PERFORMANCE SCHEDULE MILESTONES – SBRF VESSELS

The Contractor shall incorporate into the performance schedule the following major Contract milestones and required due dates as listed.

Milestone	Due Date
1. Contract Award	Contract Award Date
2. Deliver Sub-Contractor Listing	3 days after Contract Award Date
3. Deliver Key Personnel Roster	3 days after Contract Award Date
4. Deliver Certificates of Company Insurance	5 days after Contract Award Date
5. Deliver Cert of Asbestos Abatement Liability	5 days after Contract Award Date
6. Deliver Initial Integrated Performance Schedule	7 days after Contract Award Date
7. Deliver Performance Bond	10 days after Contract Award Date
8. Deliver Tug Safety Management Certificate	10 days after Contract Award Date
9. Issuance of Notice to Proceed	After Acceptance of Insurance and Performance Bond Not Later than 10 days after Contract Award Date
10. Deliver Emergency Response Oil Spill Notification POC	10 days after Contract Award Date
11. Deliver 1st Bi-Weekly Status Report	14 days after Contract Award Date
12. Deliver Surveyor's Trip in Tow Recommendation Report	Not later than 5 days after NTP
13. Deliver Towers Insurance	Not later than 7 days before vessel departure from the Fleet
14. Deliver Liquid Load/Ballast Plan	Not later than 7 days prior to tow
15. Issuance of Acceptance of Towing Insurance	Not later than 5 days prior to tow
16. Deliver Pollution-Sudden and Accidental Liability Insurance	Not later than 3 days before vessel departure from the Fleet
17. Deliver Vessel Afloat Monitoring Plan	10 days after Contract Award, but not later than 3 days prior to the vessel departure from the Fleet
18. Remove Vessel from the SBRF	TBD by Shipyard performance schedule
19. Dry-dock Vessel for Underwater Hull Cleaning	TBD by Shipyard performance schedule
20. Un-Dock Vessel	TBD by Shipyard performance schedule
21. Begin Period of Performance	1 Day After Vessel Undocking
22. Deliver USCG Load Line Exemption and Order for Departure	Prior to departure of the vessel from the Fleet
23. Remove vessel from Shipyard	3-5 days after completion of underwater hull cleaning but NLT 14 days after completion of underwater hull cleaning
24. Deliver Pre-Arrival/Arrival Reports	4 days after vessel arrival
25. Deliver Tank Content Verification Report	10 days after vessel arrival
26. Deliver Validation of Contractor HM/HW Estimates by Sampling and Analytical Results	20 days after vessel arrival
27. Complete PCB Abatement	TBD by Contractor performance schedule

28. Complete Asbestos Abatement	TBD by Contractor performance schedule
29. Complete all Hazmat Remediation	TBD by Contractor performance schedule
30. Begin Vessel Dismantling	TBD by Contractor performance schedule
31. Remove Last Structural Piece from Slip	TBD by Contractor performance schedule
32. Complete Vessel Dismantling	TBD by Contractor performance schedule
33. Complete Material Sales and Recycling <sup>31</sup>	30 days after removal of the last structural piece from the slip
34. Complete Facility Cleaning and Restoration	30 days after removal of the last structural piece from the slip
35. Deliver Certificate of Destruction	30 days after removal of the last structural piece from the slip
36. Deliver Final Close-Out Report	30 days after removal of the last structural piece from the slip
37. Contract Completion	Acceptance of Final Close-Out Report

---

<sup>31</sup> Under V.A.3.f.1), a Contractor may retain certain recyclable materials indefinitely after the 30 calendar day period upon notice to MARAD and inclusion of the estimated revenue of such stock piled materials in the Final Close-Out Report.

**PART VI, SECTION G**  
**MARAD FLEET SAFETY RESPONSIBILITIES**

**MARAD RESERVE FLEET**  
**NOTICE TO VISITORS AND CONTRACT WORKERS:**  
**THE FOLLOWING ARE INCLUDED IN THE RESERVE FLEET SAFETY RULES.**

THESE ARE THE MOST COMMONLY VIOLATED RULES, AND VIOLATION OF THESE RULES WILL RESULT IN REMOVAL FROM THE FACILITY.

1. HARD HATS are required for work in and on ships and fleet craft. Work at this facility falls under Shipyard Employment (29 Code of Federal Regulations 1915).
2. STEEL TOED (or composite material) SHOES are required. Exceptions may be made for inspections or tours WHERE NO WORK IS IN PROGRESS, at the discretion of the Fleet Superintendent.
3. SAFETY GLASSES must be worn when in the vicinity of or while performing work that produces dust, particles, or any other hazard to the eyes.
4. LIFE JACKETS/WORK VESTS must be worn and properly fastened while boarding and disembarking from boats, and must be worn while on gangways, while working over water and around unguarded decks. Life jackets/work vests may be left at the top of the gangway until the time of departure from the row of ships.
5. SMOKING IN SHIPS is prohibited. Smoking is allowed outside, and only on the stern of tankers.
6. FIRE/SPILL/FLOOD PREVENTION : A hot work permit is required. A charged fire hose at hand is required while performing hot work, except where CO2 or dry chemical extinguishers

are necessary because of potential for electrical fire. Fire prevention is of utmost importance, especially since the ships' firefighting equipment is not operable on ships in lay-up. If a fleet furnished pump becomes inoperable, it is the contractor's responsibility to notify a fleet supervisor who will have it replaced or repaired. Hot work cannot continue until the pump is operable and the hose is charged. Chemical and oil spills, as well as leaking or flooding as a result of work performed, must be immediately contained and reported to the nearest fleet employee for procedural follow-up.

7. FALL PROTECTION is required while working aloft, including on scaffolds, which must be constructed according to OSHA regulations for scaffolding. A full body harness must be used by each person working aloft.



## PART VI, SECTION H

### INVASIVE SPECIES STATE CONSENT STATUS

Status of State Approval for MARAD and Navy Vessel Entry into State waters for  
Disposal after Cleaning of Aquatic Growth from Underwater Hulls

STATE	Vessels in JRRF	Vessels in BRF	Vessels in SBRF	Vessels in NISMF -PA	Vessels in NISMF-HI
Maryland	✓*	DD	DD	✓*	DD
Virginia	✓	✓	DD	✓	✓
Louisiana	✓	✓	DD	✓	✓
Texas	✓	✓	DD	✓	✓
California	✓	✓	DD	✓	✓

**DD**

- State will only accept vessels into their waters if vessel hulls are cleaned on drydock & vessels depart the bio-geo area within 14 days of undocking

**✓**

- State will accept vessels into their waters if vessel hulls are cleaned with in-water process & vessels depart the bio-geo area within 14 days of cleaning

**✓\***

- Maryland will accept vessels into their waters on a vessel specific case-by-case basis, upon request by and consultation with MARAD, if vessel hulls are cleaned with in-water process & vessels depart the bio-geo area within 14 days of cleaning

**PART VI, SECTION I**  
**LIST OF OBSOLETE VESSELS**

Attached to this Part VI-I is a list of obsolete MARAD and NAVY vessels.

[REPLACE WITH LIST OF OBSOLETE VESSELS]

**PART VI, SECTION J**  
**QUALIFIED MARAD SHIP DISPOSAL FACILITIES**

Under the prior and current MARAD ship disposal solicitations

**BROWNSVILLE, TX**

**International Shipbreaking Ltd.**

18501 R.L. Ostos Road  
P.O. Box 6048  
Brownsville, TX 78521

**Esco Marine, Inc.**

16200 Joe Garza Sr. Road  
Brownsville, TX 78521

**All Star Metals, LLC**

101 Box Car Road  
Brownsville, TX 78521

**Bay Bridge Texas, LLC**

23501 R.L. Ostos Rd  
Brownsville, TX 78521

**NEW ORLEANS, LA**

**Southern Recycling LLC.**

4801 Florida Avenue  
New Orleans, LA 70227

**AMELIA, LA**

**Southern Recycling LLC.**

200 Dunham Pass Road  
Amelia, LA 70340

**SULPHUR, LA**

**Southern Recycling, LLC.**

8086 Global Drive  
Sulphur, LA 70665

**PART VI, SECTION K**

**SAMPLE SHIP DISPOSAL SALES CONTRACT**

Attached to this Part VI-K is a sample ship disposal sales contract.

Contract No. MA-[REDACTED]

**CONTRACT  
BETWEEN THE UNITED STATES OF AMERICA**

**AND**

**[CONTRACTOR]  
[CONTRACTOR ADDRESS]**

**FOR THE SALE OF THE OBSOLETE VESSEL [REDACTED]**

This CONTRACT ("Contract ") is entered into as of [DATE], by and between UNITED STATES OF AMERICA (herein called the "Government"), represented by the SECRETARY OF TRANSPORTATION, acting by and through the MARITIME ADMINISTRATION (herein called "MARAD" or the "Government"), and [CONTRACTOR], (herein called the "Contractor"). In consideration of the promises, covenants and undertakings hereinafter set forth, MARAD and Contractor hereby agree to the terms and conditions set forth herein.

A. This Contract incorporates the terms and conditions set forth in the following, with the same force and effect as if they were given in full text:

1. 2013 Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.B, Requirements (Applicable to Sales Contracts), with the following vessel-specific information applicable hereto:

(a) Paragraph B.3: The amount Contractor has paid to the Government as consideration for the conveyance, sale and transfer of the Obsolete Vessel is [\$REDACTED] for disposal under the terms of this contract at the Contractor Facility Location specified in 2(d), below.

2. 2013 Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts), with the following vessel-specific information applicable hereto:

(a) Paragraph V.A.1.c: The required performance bond shall be in the amount of [\$REDACTED].

(b) Paragraph V.A.1.g.4): The place of delivery is [REDACTED]; the delivery date is [REDACTED][*delivery date is for BRF/JRRF vessels only; delete for other vessels – mod will be issued once those dates are determined*].

(c) Paragraph V.A.2:

VESSEL DESCRIPTION
--------------------

Name of Obsolete Vessel:			
Official No:		LOA:	
Hull Type:		Beam:	
Design:		Draft:	
Year Built:		Lt. Ship Displ.	
Ordnance Equipment:			

## (d) Fleet and Contractor Facility Information:

Fleet Location:	
Contractor Facility:	
Hull Cleaning:	<i>[Specify Contractor or Government responsibility]</i>

Various clauses contain different requirements depending upon the fleet location from which the vessel is being removed. In this contract for the *[insert vessel name]*, the requirements applicable *[insert fleet location]* shall apply.

(e) Paragraph A.3.a: The Contract Period of Performance is *[\_\_\_\_\_]* calendar days. The Contract Period of Performance begins *[insert one of the following based on fleet location of the vessel]*:

- i. *for NISMF vessels, the calendar day after the completion of the underwater hull cleaning of the Obsolete Vessel;*
- ii. *for JRRF/BRF vessels, the contract award date or contract start date (which is later); and*
- iii. *for SBRF vessels the calendar day after undocking at the Shipyard.*

3. Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), the following Sections of Part VI, Supporting Documents:

(a) Section A, Technical Compliance Plan Requirements;

(b) Section B, Contractor Tow Preparation Responsibilities at the NDRF;

(c) Section C, USCG Towing Requirements;

(d) Section E, USCG Interim Criteria for Cleaning Hulls on MARAD Vessels Prior to Relocation *[only for BRF/JRR vessels; delete for all other vessels]*;

(e) Performance Milestones *[insert one of the following based on fleet location of the vessel identified in paragraph 2(a), above]*:

- i. Section F(1), Performance Schedule Milestones – BRF/JRRF Vessels;
- ii. Section F(2), Performance Schedule Milestones – NISMF Vessels;
- iii. Section F(3), Performance Schedule Milestones – SBRF Vessels; and

(f) Section G, MARAD Fleet Safety Responsibilities.

4. The General Technical Proposal, as approved by MARAD as of the date of this Contract, for the Contractor Facility Location specified above.<sup>32</sup>

B. Any inconsistencies in the contract provisions set forth above shall be resolved by giving precedence in the following order:

1. Paragraph 1 - Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.B, Requirements (Applicable to Sales Contracts);
2. Paragraph 2 - Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts);
3. The Contractor's General Technical Proposal, incorporated by reference.

C. The Contractor acknowledges receipt of amendments to Ship Disposal Solicitation DTMA-91-Q-2013-0014 through [insert date].

D. The Contract Award Date for this Contract is the date the Contracting Officer executes the contract. The Contract Start Date, if different, is [insert Contract Start Date, if any]. If the Contract contains a Contract Start Date, the Performance Milestones in PART VI, Section F, are calculated based on the Contract Start Date instead of the Contract Award Date.

[END OF PAGE]

---

<sup>32</sup> Per Amendment 0005, until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation ("the old GTP"). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility's approved GTP or TCP, the facility's approved, "old GTP," including TCP, shall be substituted. Once a facility's new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.



IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

ATTEST:

UNITED STATES OF AMERICA  
SECRETARY OF TRANSPORTATION  
MARITIME ADMINISTRATION

By: \_\_\_\_\_  
Secretary  
Maritime Administration  
(Seal)

By: \_\_\_\_\_  
Contracting Officer,<sup>33</sup>  
Office of Ship Disposal

ATTEST:

By: [CONTRACTOR]

By: \_\_\_\_\_  
(Title)  
(Corporate Seal)

By: \_\_\_\_\_  
(Title)

**ACKNOWLEDGMENT IN PROPER LEGAL FORM TO BE EXECUTED AND  
FIRMLY AFFIXED HERETO.**

Attachments:

Exhibit 1: Form of Bill of Sale

---

<sup>33</sup> The Maritime Administrator has delegated Contracting Officer responsibility for sales to the Director of the Office of Ship Disposal Programs or the Program Manager for the Ship Disposal Staff. See MAO 64-1, Office of Ship Disposal, which is available upon request.

Exhibit 1

BILL OF SALE

TO ALL TO WHOM THESE PRESENTS COME, GREETINGS: KNOW YE, THAT THE UNITED STATES OF AMERICA REPRESENTED BY THE SECRETARY OF TRANSPORTATION ACTING BY AND THROUGH THE MARITIME ADMINISTRATOR (THE “SELLER”), THE SOLE OWNER OF THE VESSEL (THE “VESSEL”) HEREIN BELOW MORE PARTICULARLY IDENTIFIED, AS FOLLOWS:

NAME: [\_\_\_\_\_]

OFFICIAL NUMBER: [\_\_\_\_\_]

TYPE: [\_\_\_\_\_]

LOCATION: [\_\_\_\_\_]

FOR AND IN CONSIDERATION OF THE SUM OF [\_\_\_\_\_ (\$\_\_\_\_\_)] LAWFUL MONEY OF THE UNITED STATES OF AMERICA, TO IT IN HAND PAID BEFORE DELIVERY BY [\_\_\_\_\_], (“THE BUYER”), AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT OF BOTH OF WHICH IT DOES HEREBY ACKNOWLEDGE AND IS THEREWITH FULLY SATISFIED, CONTENTED AND PAID, HAS BARGAINED AND SOLD, ANY BY THESE PRESENTS, DOES BARGAIN AND SELL UNTO THE BUYER, ITS SUCCESSORS AND ASSIGNS, ALL OF THE RIGHTS, TITLE AND INTEREST OF THE SELLER IN AND TO THE VESSEL, ALL ENGINES, BOILERS, MASTS, SAILS, BOATS, CABLES, TACKLE, FURNITURE AND ALL OTHER NECESSARIES THERE TO APPERTAINING AND ON BOARD THE VESSEL, TO HAVE AND TO HOLD THE VESSEL AND APPURTENANCES THEREUNTO BELONGING UNTO IT, THE SAID BUYER, ITS SUCCESSORS AND ASSIGNS FOREVER TO THE SOLE AND ONLY PROPER USE, BENEFIT, AND BEHALF

OF THE SAID BUYER AND ITS SUCCESSORS AND ASSIGNS. THE SELLER HEREBY EXPRESSLY SELLS THE VESSEL “AS IS, WHERE IS” AFLOAT AND MAKES NO WARRANTY, GUARANTY, OR REPRESENTATION AS TO SEAWORTHINESS, DESCRIPTION, CAPACITY, CONDITIONS, TONNAGE, OR OTHERWISE CONCERNING SAID VESSEL AND APPURTENANCES, EXCEPT THAT SELLER HAS PROMISED, COVENANTED AND AGREED, AND BY THESE PRESENTS DOES HEREBY PROMISE, COVENANT AND AGREE FOR ITSELF AND ASSIGNS, TO AND WITH THE SAID BUYER, ITS SUCCESSORS AND ASSIGNS, TO WARRANT AND DEFEND THE TITLE IN AND TO THE SAID VESSEL AND APPURTENANCES AGAINST ALL AND EVERY PERSON OR PERSONS WHOMSOEVER, AND ALSO WARRANTS THAT THE SAID VESSEL AND APPURTENANCES ARE FREE AND CLEAR OF LIENS AND ENCUMBRANCES.

TITLE TO THE AFORESAID VESSEL IS BEING TRANSFERRED TO THE BUYER BY THIS BILL OF SALE PURSUANT TO AND SUBJECT TO THE TERMS AND PROVISIONS OF THE PURCHASE CONTRACT BETWEEN THE UNITED STATES OF AMERICA, AND THE BUYER DATED AS OF THIS DATE, **CONTRACT NO. MA-** [REDACTED] (THE “SALES CONTRACT”), WHICH PROVIDES, AMONG OTHER THINGS, THAT TITLE TO THE VESSEL TRANSFERS UPON ARRIVAL AT BUYER’S FACILITY, THAT THE VESSEL SHALL ONLY BE REMEDIATED, DISMANTLED, AND RECYCLED BY THE BUYER, AND THAT THE VESSEL SHALL NOT BE USED FOR ANY OTHER PURPOSE INCLUDING, BUT NOT LIMITED TO, THE CARRIAGE OF CARGOES RESERVED BY LAW TO VESSELS OF THE UNITED STATES.

IN TESTIMONY WHEREOF, THE UNITED STATES OF AMERICA,

REPRESENTED AS AFORESAID, HAS CAUSED THIS BILL OF SALE TO BE DULY  
SIGNED AND SEALED ON ITS BEHALF BY ITS PROPER OFFICER, THEREUNTO  
DULY AUTHORIZES THIS \_\_\_\_\_ DAY OF [\_\_\_\_\_, 20\_\_].

UNITED STATES OF AMERICA  
SECRETARY OF TRANSPORTATION  
MARITIME ADMINISTRATION

By \_\_\_\_\_

Contracting Officer  
Office of Ship Disposal

ATTEST:

By: \_\_\_\_\_

(Seal)

**PART VI, SECTION L**

**SAMPLE SHIP DISPOSAL SERVICES CONTRACT**

Attached to this Part VI-L is a sample ship disposal services contract.

TERMS AND CONDITIONS

A. This Contract incorporates the terms and conditions set forth in the following, with the same force and effect as if they were given in full text:

5. 2013 Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.C., Clauses (Applicable to Ship Disposal Services Contracts), with the following information applicable hereto:

(a) Paragraph C.3.a: The contract price [is \_\_\_\_ or is not \_\_\_\_] over \$2,500.00. Per PART V, Subpart V.C., paragraph C.3.a, if the contract price is over \$2,500.00, the Service Contract Labor Standards apply to this service contract. See FAR 22.1006(a)(1)(i) and the applicable wage determination incorporated into this Contract is Wage Determination No. [REDACTED].

6. 2013 Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts), with the following vessel-specific information applicable hereto:

(a) Paragraph V.A.1.c: The required performance bond shall be in the amount of \$[REDACTED].

(b) Paragraph V.A.1.g.4): The place of delivery is [REDACTED]; the delivery date is [REDACTED][*delivery date is for BRF/JRRF vessels only; delete for other vessels – mod will be issued once those dates are determined*].

(c) Paragraph V.A.2:

VESSEL DESCRIPTION			
Name of Obsolete Vessel:			
Official No:		LOA:	
Hull Type:		Beam:	
Design:		Draft:	
Year Built:		Lt. Ship Displ.	
Ordnance Equipment:			

## (d) Fleet and Contractor Facility Information:

Fleet Location:	
Contractor Facility:	
Hull Cleaning:	<i>[Specify Contractor or Government responsibility]</i>

Various clauses contain different requirements depending upon the fleet location from which the vessel is being removed. In this Contract for the *[insert vessel name]*, the requirements applicable *[insert fleet location]* shall apply.

(e) Paragraph A.3.a: The Contract Period of Performance is [ ] calendar days. The Contract Period of Performance begins *[insert one of the following based on fleet location of the vessel]*:

- i. *for NISMF vessels, the calendar day after the completion of the underwater hull cleaning of the Obsolete Vessel;*
- ii. *for JRRF/BRF vessels, the contract award date or contract start date (which is later); and*
- iii. *for SBRF vessels the calendar day after undocking at the Shipyard.*

7. Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), the following Sections of Part VI, Supporting Documents:

(g) Section A, Technical Compliance Plan Requirements;

(h) Section B, Contractor Tow Preparation Responsibilities at the NDRF;

(i) Section C, USCG Towing Requirements;

(j) Section E, USCG Interim Criteria for Cleaning Hulls on MARAD Vessels Prior to Relocation *[only for BRF/JRR vessels; delete for all other vessels]*;

(k) Performance Milestones *[insert one of the following based on fleet location of the vessel identified in paragraph 2(a), above]*:

- i. Section F(1), Performance Schedule Milestones – BRF/JRRF Vessels;
- ii. Section F(2), Performance Schedule Milestones – NISMF Vessels;
- iii. Section F(3), Performance Schedule Milestones – SBRF Vessels; and

(l) Section G, MARAD Fleet Safety Responsibilities.

8. The General Technical Proposal, as approved by MARAD as of the date of this Contract, for the Contractor Facility Location specified above.<sup>34</sup>

<sup>34</sup> Per Amendment 0005, until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there

B. Any inconsistencies in the contract provisions set forth above shall be resolved by giving precedence in the order set forth in Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment \_\_\_\_ (dated \_\_\_\_\_), PART V, Subpart V.C., Clauses (Applicable to Sales Contracts), Paragraph C.11, Order of Precedence.

C. The Contractor acknowledges receipt of amendments to Ship Disposal Solicitation DTMA-91-Q-2013-0014 through [insert date]

D. The Contract Award Date for this Contract is the date the Contracting Officer executes the Contract. The Contract Start Date, if different, is [insert Contract Start Date, if any]. If the Contract contains a Contract Start Date, the Performance Milestones in PART VI, Section F, are calculated based on the Contract Start Date instead of the Contract Award Date.

---

is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the facility's approved GTP or TCP, the facility's approved, "old GTP," including TCP, shall be substituted. Once a facility's new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.